

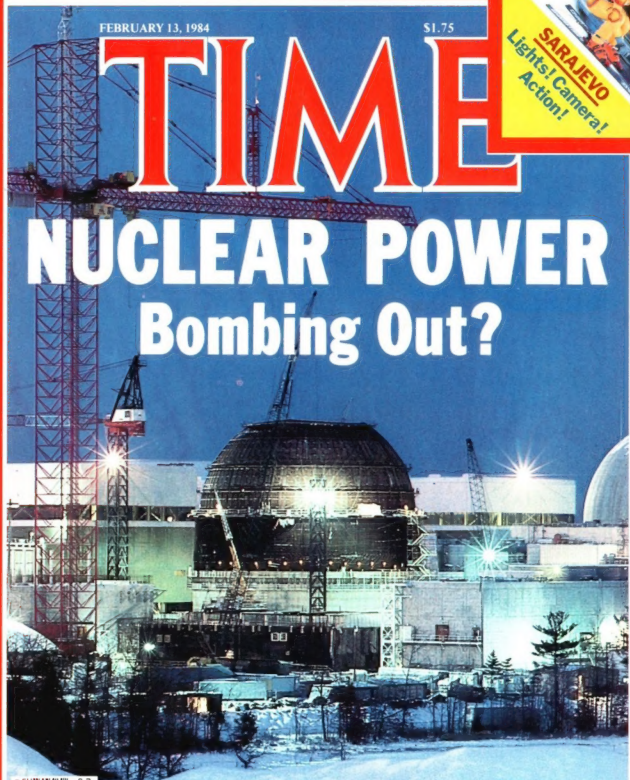
FEBRUARY 13, 1984

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TIME

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Action!

NUCLEAR POWER Bombing Out?



Seabrook, N.H.
\$5 Billion Over Budget





Consumer Orientation

No. 26 in a Series.

Subject: Design objective:
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of performance and luxury.

26 Porsche 928S

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A Letter from the Publisher

Senior Correspondent Peter Stoler, who wrote this week's cover story on the troubles of the nuclear industry, has a rare firsthand knowledge of the subject, including some hands-on experience running a reactor. During simulated exercises in 1980 at a training center for technicians in Morris, Ill., Stoler recalls, "I undertook a routine drill to bring the reactor back on line. It was supposed to be gradual, but I brought it along too fast and overheated it. If it had been a real reactor, I'd have melted it down."

The watershed event for both Stoler and the nuclear industry was the potentially disastrous March 1979 accident at the Three Mile Island plant in Pennsylvania. Stoler, who has reported or written most of TIME's stories on nuclear power in recent years, was one of the first correspondents to reach the scene. Talking to plant officials and technicians, he calculated that the reactor had come within 45 minutes of a real meltdown. Though he was unable at that time to get independent verification, a commission of inquiry later confirmed that he had been frighteningly right. "I had been a nuclear believer," says Stoler. "I had just seen the film *The China Syndrome*, and called it farfetched because the chances seemed infinitesimal that so many things

could go wrong and in the necessary sequence. A week later I was in Harrisburg, with a line from the film running through my head: 'If this thing melts down, it will render an area the size of Pennsylvania permanently uninhabitable.'"

Stoler's nuclear expertise was augmented last week by reports from several TIME correspondents. Los Angeles' Joseph Kane, who covered the West Coast's problems, also was on hand five years ago for the Three Mile Island accident, interviewing frightened citizens living in the shadow of the cooling towers. Barbara Dolan talked with officials at several Southern utility companies who remain staunchly pro-nuclear despite current problems. Chicago's J. Madeleine Nash interviewed officials of newly canceled Midwestern nuclear plants. Jay Brangan, TIME's Washington-based specialist on energy and the environment, interviewed Energy Department officials and members of the Nuclear Regulatory Commission. Says he: "It is starting to see how much the nuclear story has changed in a decade. We have gone from a state of success and exuberance to one of struggle and concern." Stoler believes the problems are critical, but not terminal. Says he: "The nuclear industry is not dead, nor should it be. We are going to need it."



Stoler at New York-area nuclear plant

John A. Meyers

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Cover: Photograph by Steve Liss



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An invitation too good to refuse

In a speech before members of the National Academy of Sciences, William Ruckelshaus, the administrator of the Environmental Protection Agency, sought to clear away some of the pollution that's befogged environmental regulations for years. He called on scientists—those with the best knowledge of what constitutes pollution and hazardous waste—to help EPA formulate a public policy free from politics.

That's an invitation too good to refuse, and it's long overdue. Too often, U.S. environmental policy has been based on political considerations or has been influenced by one-sided TV reportage. Time after time, the American people have watched as so-called experts paraded across their television screens warning of doomsday disasters from nuclear power plants and waste disposal sites. Never mind that "expert" A was a geology professor but was holding forth on nuclear power, and that "expert" B was a lawyer spouting off about hazardous wastes. Television news sometimes doesn't seem to care about qualifications.

One result is that despite the fact that industry has marshaled thousands of scientists and billions of dollars to clean up the environment and keep it clean, and that the results to date have been impressive, the public perception often is that nothing is being done. In this context, it's refreshing indeed to hear the nation's number one pollution policeman ask that Americans "reject the emotionalism" that mixes any discussion of environmental quality and paralyzes "honest public policy."

To accomplish this will certainly mean putting science back into environmental protection so that the soundest possible answers can be given the public. But it should also mean a more active, more vocal role by scientists and the media in informing the public that no substance or product can be 100 percent safe all the time, under every circumstance. One sure way to prevent auto accidents that kill more than 40,000 people every year in the U.S. would be to ban autos. Common sense, however, dictates otherwise.

Without the guiding hand of science in environmental policy-making, the results have been predictable: confusing, contradictory, duplicative and punitive rules and regulations. Ruckelshaus has proposed to clear the air with a "common statutory formula" that would be adopted by all federal agencies charged with protecting health and environment. It would:

- Assess risks and weigh them against the benefits of the continued use of the substance under examination.
- Weigh such benefits against the risks associated with substitute substances.
- Weigh the benefits of continuing to use suspect substances against the risks associated with the use of pollution control methods that simply transfer the problem from one medium to another.

Whatever standards are set, he said, they "must have a sound scientific base." We say "amen" to that. But we also recognize that such bold proposals, even if based on the best available science, will not receive serious consideration until political roadblocks are surmounted.

We don't believe in miracles. But we do believe in science, and truly expert scientific judgment. And we do believe that government officials, working together with scientists, Congress and industry, can forge better environmental laws that protect both the health and economic welfare of all the people.

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Letters

Multimillionaires

To the Editors:

It was a relief to read "Making a Mint Overnight" [Jan. 23]. Thanks for turning from hunger, war and poverty to remind us of excellence and its rewards.

*Russell Small
Euclid, Ohio*

Investors like Arthur Rock prove that America is still the land of opportunity.

*Sammy Tonga
Boca Raton, Fla.*

As one of a new generation of venture capitalists, I find that helping entrepreneurs is enormously satisfying, regardless of the financial reward.

*Daniel H. Case III, Vice President
Hambrecht & Quist
San Francisco*



Some of those greedy entrepreneurs and vulture capitalists are merely money-changers in the temple of life.

*John Joss
Los Altos, Calif.*

I cannot understand the compulsion that drives some individuals to amass fortunes far beyond what they need for their comfort and security.

*Donald Draganski
Evanston, Ill.*

Kissinger's Advice

In the Kissinger commission's report on Central America [Jan. 23], it is clear that human rights are irrelevant in the grand scheme for Central America. Here we go again with guns and money as the simple solution to extremely complex problems. This is a recycled version of the policy we used in Viet Nam.

*Robert L. Schlosser
Seattle*

Our leaders seem to believe that a large infusion of dollars into areas susceptible to "Marxist revolution" is the only

Letters

answer to Central America's problems. Historically, aid in this form has led most nations to increased corruption as well as economic and military dependency.

John M. Goeke
Charleston, Ill.

The annual \$1.6 billion in economic and military assistance proposed for Central America is not an enormous sum. The figure is less than the amount currently given to Egypt each year.

Richard H. Ebright
Boston

Even the wisdom of the Kissinger commission ignores the key problem in Central America, a runaway birth rate too great for the countries to absorb. Until that situation is brought under control, Marxism will continue to appeal to the hungry, illiterate masses.

Naomi W. Higginbotham
Phoenix

The recommendations in the Kissinger report remind me of the attempts by the Alliance for Progress to solve Latin America's problems. The Alliance failed despite the expenditure of nearly \$10 billion. In all likelihood, the Kissinger suggestions will also come to naught. Unfortunately, the Kissinger panel does not demand basic structural changes in Central American institutions, changes that could prevent more military governments from coming to power and that could reduce the gap between a rich minority and an impoverished majority.

E. Bradford Burns
Professor of Latin American History
University of California
Los Angeles

Death on the Border

Defense Secretary Caspar Weinberger's outrage at the killing of an American soldier in Honduras [Jan. 23] is disingenuous. If we send soldiers into a combat area, some are going to be killed.

Thomas C. Reber
Austin

The loss of our helicopter pilot near the Honduran-Nicaraguan border should serve as a lesson for us: if you don't want the fruits of sin, stay out of the orchard.

W. Ward Fearnside
Wellesley, Mass.

Vatican Exchange

In attempting to justify President Reagan's nomination of an Ambassador to the Holy See [Jan. 23], some people argue that an exchange with the Vatican is no more objectionable than the diplomatic recognition we extend to the Soviet Union. However, there is a considerable difference. The Roman Catholic Church has 50 million adherents in the U.S. In certain international situations, the Am-

bassador from the Vatican could make demands *sub rosa* to the President. What other diplomatic representative could threaten to invoke the support of 50 million Americans?

Robert Griffith
Bartleboro, Vt.

An ambassadorial relationship does not imply agreement or union between the two parties. There is no more reason to fear Vatican interference in U.S. affairs than Soviet influence in running this free and religiously unbiased country.

Michael Ehreth
Berkeley, Calif.

Why is it that when the U.S. sends an Ambassador to the Vatican, the country is in an uproar over the "separation of church and state," yet when the Rev. Jesse Jackson runs for the presidency, nobody says a word?

Donald R. Schindel
Chicago

As a Protestant, I find Ronald Reagan's diplomatic relations with the Pope far more reassuring than his "nonofficial" communion with Jerry Falwell.

Donald Elser
North Lima, Ohio

Zhao's Visit

During his visit, Chinese Premier Zhao Ziyang [Jan. 23] stressed that the Taiwan-mainland conflict is "China's internal affair." If France had believed a similar argument by England in 1776, where would the 13 colonies be today? Taiwan is no more an internal affair of China's than the American Revolution was an internal affair of England's. The real issue is freedom from tyranny.

Gregory Delaney
Los Gatos, Calif.

Wasteful Ways

Congratulations to Chairman J. Peter Grace and his task force of corporate executives for pinpointing hundreds of examples of wasteful Government spending [Jan. 23]. Senators and Congressmen who are reluctant to comply with the solutions proposed by the Grace commission should swallow their home-town pride and consider the big picture.

Peter Cincotta
Tuckerton, N.J.

It is startling that the Government would pay \$91 for a screw that normally costs 3¢. But it is even more startling that the Government would pay \$320,000 for a four-month study that concludes that rampant hunger does not exist in the U.S. I am more willing to pay the \$91 for the 3¢ screw. At least I get something for my money.

Clestin Martin
Greensburg, Pa.

The Government should not have to take all the blame for paying \$91 for a 3¢ screw. Shouldn't the businessmen who charge those prices accept some of the responsibility for the waste?

Karen R. Johnson
Arlington, Va.

Trains and Trolleys

As your article makes clear, public transportation is not a luxury but a necessity [Jan. 23]. Our love affair with the automobile has caused many problems ranging from dependence upon foreign oil to trapping the elderly and disabled in their homes. Perhaps more than anything else, public transportation can help make cities livable again.

Lisa B. Team
Mobile, Ala.

Your article said nothing positive about New York City's subways and buses. This system operates 24 hours a day, 365 days a year, is the most extensive and moves the largest number of people of any in the U.S. Only after taking these factors into consideration can you then compare it with the newer, less far-reaching systems of other cities.

Helen B. Probst
New York City

Solitary for Amy

Who can remain unmoved by the courage, however misapplied, of young Amy, who refused to testify against her stepfather for molesting her [Jan. 23]? Had Judge John DeRonde succeeded in breaking her will, he might have caused psychological harm more devastating and lasting than any caused by the alleged molester. By putting Amy in solitary confinement, the judge may have "acted within his rights," but he showed a monumental lack of compassion, not to mention common sense.

Norma S. Hass
Sleepy Hollow, Ill.

Tube Rock

As a rock deejay, I wonder how many of the letter writers who put down rock video [Jan. 16] are aware of how much they sound like their parents. Perhaps these naysayers will remember how their mothers and fathers complained when they stood on the corner singing doo-wop, grew long hair and went crazy over the Beatles. Change is the essence of life. Those who refuse to change are doomed to decay and middle age.

Bob ("Bob-a-Loo") Lewis
New York City

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Playing for Time

In his budget, Reagan tries to make the deficit a post-election issue

"The threat of indefinitely prolonged high budget deficits... raises the specter of sharply higher interest rates, choked-off investment, renewed recession and rising unemployment."

—Ronald Reagan in his budget message

The most dyspeptically partisan Democrat could hardly have put the warning more bluntly. But Congress and the nation searched in vain through the budget message for fiscal 1985 for any reply to the obvious next question: What does the President propose to do to ward off the dangers he so starkly portrayed? Not until his separate economic message the next day did Reagan give an explicit answer: "We must wait until after this year's election" to make any sweeping moves.

"Bold, vigorous fiscal policy action to break the momentum of entrenched spending programs... [is] essential to the nation's future economic health," Reagan trumpeted in the budget document. Eventually, that is: for next year he is proposing only minor changes that, by his own figuring, would reduce nonmilitary spending by \$4.6 billion, a mere .7% less than what outlays would be if all programs were left on automatic pilot. That would be dwarfed by another huge increase in the Pentagon budget: Reagan is requesting a 13% (after inflation) rise in spending authorization, to \$305 billion (see following story).

"To those who say we must raise taxes, I say wait," the President declared. He did couple his less-than-clarion call with a pledge to "go forward with a historic reform" that would "simplify the entire tax code." But the Treasury will not recommend such an overhaul to him until December, a month after the election. For now, he is proposing small loophole-closing changes that would add a mere \$7.9 billion to revenues next year.

Reagan promptly muddied the waters further by calling his own deficit forecasts "unacceptable" and inviting congressional leaders, including the opposition Democrats, to help him reduce them. His aides declared "everything," including defense and taxes, to be open for discussion.

Then the President met with congressional Republicans and urged them to assail the Democrats as the high-tax party. Democrats, for their part, agreed reluctantly to join a budget-cutting conference while gloomily predicting that Reagan was trying to inveigle them into giving a bipartisan blessing to gargantuan deficits, or set them up as scapegoats, or both.

As a kind of grace note to the babble, one of the President's top economic advisers, Treasury Secretary Donald Regan, derided the analysis of another, Council of Economic Advisers Chairman Martin Feldstein, as ivory-tower dreaming. Said Regan, once chief of the giant securities firm Merrill Lynch, about the CEA report prepared by Feldstein, who is a Harvard professor on leave: "I have 35 years of ex-

perience in the market. The CEA has none... Experience in the marketplace is a lot more valuable than time spent in the library" (see box).

Out of all the confusion emerged these bottom-line figures for fiscal 1985, which starts Oct. 1:

- ▶ Spending would rise to \$925.5 billion, up 8.4% from the \$853.8 billion now expected in the current fiscal year. Besides the defense boost, there would be major increases in outlays for Social Security and Medicare; for income security, where a sharp rise in federal retirement benefits more than offsets declines in unemployment compensation and food and nutrition assistance; for "international affairs," partly because of more military and economic aid to Central America, and for interest on the national debt, which would swell by 7.3%, to \$116.1 billion.

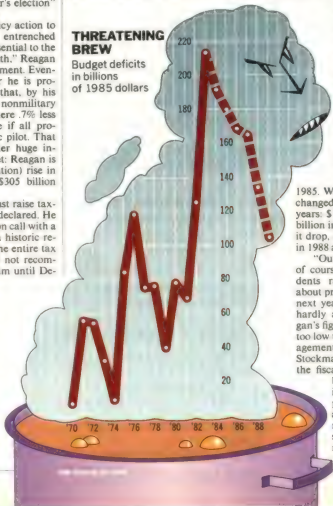
- ▶ Revenues, pumped up by the economic recovery, would increase to \$745.1 billion. Though that would be an impressive 11.2% jump over the \$670.1 billion expected in fiscal 1984, the rise in dollars would be just slightly more than the increase in outlays.

- ▶ The deficit, in consequence, would decline only from \$183.7 billion this fiscal year to \$180.4 billion in 1985. Worse, it would be almost unchanged for the following two fiscal years: \$177.1 billion in 1986, \$180.5 billion in 1987. Only after that would it drop, and then just to \$152 billion in 1988 and \$123.4 billion in 1989.

"Out-year" deficit forecasts are, of course, pure guesses, and Presidents rarely have been prescient about predicting red ink, even for the next year or two. That, however, is hardly a comforting thought: Reagan's figures appear more likely to be too low than too high. Office of Management and Budget Director David Stockman conceded last week that the fiscal 1985 deficit "could easily be more than \$200 billion" if Congress rejects Reagan's proposals for spending cuts and tax changes and the Administration is a bit off on some of its calculations. Estimates leaking from the non-partisan Congressional Bud-

THREATENING BREW

Budget deficits in billions of 1985 dollars



get Office put the deficit as high as \$216 billion in 1986 and \$248 billion in 1987, basically because the CBO foresees less future growth in production, more inflation and higher interest rates than the Administration predicts.

Indeed, Reagan's rosy economic forecast seems quite inconsistent with his own warnings about the dire effects of high deficits. The budget assumes that the output of goods and services will rise a steady 4% a year from 1985 through 1988 and 3.8% in 1989. Unemployment is expected to drop fairly regularly to 5.7% by the end of the decade. The Government announced last Friday that the jobless rate fell again in January, to 8%, from 8.2% in December, continuing the fastest slide in more than 30 years. Some other budget forecasts: consumer prices will go up only in a moderate range of 3.5% to 4.7% a year for the rest of the 1980s, and the key short-term interest rate on Treasury bills will fall from an average of 8.6% in 1983 to 5% by decade's end. But Feldstein is openly concerned that if deficits really go as high as Reagan predicts, parts of this happy prophecy may not come true. Says he: "These deficits do keep the level of real interest rates high, and consequently we have less business investment than would otherwise have been the case."

For the moment, however, the White House made one thing plain: it was thinking less of economics last week than of the President's just launched re-election drive. As a political issue, says Nevada Senator Paul Laxalt, chairman of Reagan's campaign committee, deficits are "a yawner. We, as Republicans, have talked about deficits and balanced budgets since the days of [Franklin D.] Roosevelt, and the people simply haven't listened, because they can't relate to those huge numbers."

Indeed, a slam-bang attack on deficits now might lose some votes. Tax increases are as repugnant to many voters as they are to Reagan. Proposals for a drastic cut in spending would anger those voters whose benefits might be reduced, and would be impossible to ram through Congress in an election year anyway. Cutting the deficit, says Stockman candidly, "is really a political question, and we will look to the electorate for the answer."

But if the electorate is to give the answer that Reagan wants, it must at the least be assured that the President is not ignoring his own warnings. To that end, Reagan is adopting a three-part strategy. Its elements: pledge a broad-scale attack on deficits early in a second term; mean-

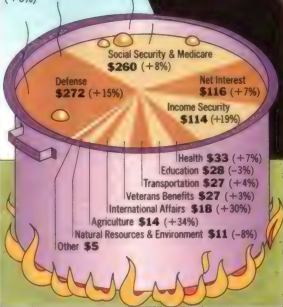
REAGAN'S RECIPE

in billions of dollars; figures in parentheses are percent change from 1984

1985 BUDGET TOTAL:

\$925,500,000

(+8%)



while, summon congressional leaders to help him rewrite his just completed budget proposals and make a modest "down payment" to reduce the deficit in this election year; get set to assail the Democrats for blocking progress if there is no down payment.

Thus in his economic message Reagan proclaimed, almost confoundingly, that the deficits he had forecast the day before "are totally unacceptable to me" and insisted that "we cannot delay until 1985" making at least a start on stemming the red ink. He repeated the call he had voiced in his State of the Union speech for a conference between Administration officials and Republican and Democratic congressional leaders, with the aim of agreeing on "less contentious" spending cuts and loophole-closing tax reforms that might trim \$100 billion off the deficit over the next three years. Simultaneously, the President journeyed to Capitol Hill and told a meeting of Republican legislators, "We must make it clear they [the Democrats] don't want to cut spending. They want to raise taxes."

The Democrats did their best to achieve the difficult feat of matching the White House in political posturing. Ohio Senator Howard Metzenbaum displayed an "American Excess" credit card he proposed to issue to Reagan as the buy-now, pay-later spender of all time. Hitting the

same theme, House Budget Committee Chairman James Jones ridiculed Reagan for saying, in effect, "Don't give me the bill; send it to my children." Nonetheless, the Democrats could not refuse to participate in talks on deficit reduction. "We've got them in a box," exulted one of Reagan's senior advisers just before House Majority Leader James Wright of Texas phoned the White House to propose an organizational meeting of a joint Administration-congressional panel that will be held Wednesday. Seeking to put Reagan in a box, Wright publicly proposed to double the deficit-cutting package to \$200 billion over three years. Said the poker-playing Texan: "We'll call you and raise you \$100 billion."

Whether the conference can in fact achieve anything beyond political bluffing is in serious doubt. The kind of spending cuts and tax changes Reagan has in mind presumably were foreshadowed by those he proposed in the budget. Once again he is recommending spending reductions, though this time very small, in such old targets as food stamps, welfare and job training. Those are exactly the reductions Democrats find most objectionable. On the revenue side, Reagan's principal proposal is to

raise \$3.9 billion by taxing workers on any contributions in excess of \$175 a month that their companies make to family medical insurance plans.

The Democrats are certain to demand a much smaller increase in military spending commitments than Reagan is proposing, and some sort of general tax increase, at least on higher incomes. Reagan knows that Congress will never approve all his military spending requests,



Wright: a \$100 billion raise Jones: Whose bill?

but since the strengthening of American defense muscle is one of his prime election boasts, the size of the cutback he might agree to is highly questionable. His plan to stick the Democrats with a "high tax" label during the campaign indicates that he will hang tough on that subject as well.

For all that, there is a feeling on Cap-



"A good, friendly team": Economic Aides Feldstein, Regan and Stockman with '85 budget

to Hill that political and economic reality might in the end push Reagan and congressional leaders to come up with some sort of agreement. Says Democratic Senator Joseph Biden of Delaware: "Sure, the down-payment idea is a political move. But some things that start off as political moves end up having consequences far beyond what was originally envisioned." Whether any package would be large enough to make a significant dent in the deficits is another question entirely.

What is altogether too clear, at least in the judgment of most economists, is what will happen if the deficits are not curbed. The effects are hardly visible yet. If anything, deficits are spurring the powerful rise in production and employment by putting more spending money into the pockets of businessmen and consumers.

But that is what usually happens in the early stages of recovery from a deep recession, like the one the U.S. suffered through in 1981-82. The extra money initially puts idle plant and laid-off workers back into productive action.

The pinch comes when the economy operates closer to full capacity. Businesses that have been financing needed investment out of retained profits and consumers who have been paying for purchases out of rising incomes increasingly borrow to keep up their spending. So long as there are idle resources, the Federal Reserve can safely create enough new money to meet all borrowing demands, but once the slack is mostly gone, doing so would set off a new round of inflation; the Fed probably would limit the funds it supplies to the banking system. Then

business and consumer demands for funds collide with the voracious appetite of Government for loans to cover the budget deficits.

Those businessmen and consumers who can still get loans pay high interest rates. In one sense, something of the sort is happening already. As Reagan incessantly points out, the keystone bank prime rate has dropped from 21½% in December 1980 to 11% today. But economists generally consider the "real" interest rate—that is, the gap between interest and inflation rates—to be a truer measure of the burden on borrowers. And at 11%, the prime is more than seven points above the current inflation rate, one of the highest spreads ever.

As a kind of forecast of the potential effects, economists point to the startling rise in the U.S. trade deficit (excess of imports over exports), which soared to \$69.4 billion last year, almost two-thirds higher than the previous record in 1982. The connection between budget and trade deficits is indirect but undisputed. Budget deficits keep real interest rates high, and that prompts foreigners to pour money into purchases of interest-yielding U.S. securities. But first they must exchange francs, marks, lire or yen for dollars. The demand for dollars artificially raises the exchange value of the U.S. currency; the Council of Economic Advisers calculated last week that the dollar is now priced 32% above its true worth. Finally, the overvaluation of the dollar distorts the prices of U.S. imports and exports. Americans need fewer dollars to buy, say, French wines; Frenchmen must pay more francs to buy U.S. computers.

Domestically, some economists expect continued high deficits to cause not an abrupt crisis but a withering away of gains in production, incomes and jobs. Says Rudolph Penner, director of the Congressional Budget Office: "The process we are facing now is gradual erosion of our economic health. It's not a dramatic event. You won't wake up one morning and say, 'The recovery is aborted.' It's an enervating process."

Similar worries are troubling the pro-Reagan stock market. The Dow Jones industrial average fell 17 points last Friday, accentuating a decline that has now brought it down 90 points since Jan. 6. Said Edward Yardeni, chief economist of Prudential-Bache Securities: "One of the primary concerns confronting investors as they look ahead to 1984 and 1985 is the size of the federal deficit, and the possibility that it could push interest rates higher and put an end to the recovery." To those who cannot yet see any troublesome effects from all the red ink, the stock market and economists generally give the same answer that Reagan is using to calm deficit jitters: wait till next year. —By George J. Church. Report by Bernard Baumohl and David Beckwith/Washington

The Don and Marty Show

"As far as I'm concerned, you can throw it away." So replied Treasury Secretary Donald Regan to Senators who pressed him to say what he thought of a 343-page report on the economic outlook. Prepared by Democrats? No, by his supposed colleague in the high command of the Reagan Administration, Council of Economic Advisers Chairman Martin Feldstein. In case anyone missed his meaning, Regan offered the particulars of his contempt: "I disagree with Feldstein's assessment of the dollar, his views on the deficits and interest rates, his rhetoric about the future and his assessment of the budget."

Feldstein replied with a quip: "I suppose it was just a throwaway line." More seriously, he professed to find the Treasury Secretary's attack "quite amazing. I can't understand it." In fact, the two have long been at odds, though their differences have usually been expressed by a backstage elbow in the ribs rather than a public fist in the eye. Feldstein takes a far gloomier view of huge federal deficits than Regan does, and last week he annoyed the White House by saying as much in discussing forthcoming budget talks with Democrats. Said Feldstein, putting his cards on the table before the game even began: "We're going to have to have additional tax revenues; we're going to have to trim back on the size of the defense authorization." Such indiscreet talk has led to frequent speculation that Feldstein will soon return to Harvard. But Feldstein says he intends to stay. His comment: "It's nice to work with a good, friendly team."

Shooting the Moon on Defense

The President's military budget draws fire on Capitol Hill

With the press looking on, Defense Secretary Caspar Weinberger held up a photograph showing a stack of documents 6 ft. 3 in. high: it was the 1984 defense budget, with supporting documents. This year's stack promises to be taller still. Even allowing for inflation, the 1985 budget is the largest submitted by the Pentagon since World War II, including the years of the Korean and Viet Nam wars. It had something for everyone, as the Senate and House Armed Services committees found out last week in sometimes fractious briefings. Said one Senate staffer: "In a \$305 billion budget, there can't be any real losers."

Even not counting their first-time allocations for accrued retirement pay, the services put in for eye-popping increases. The Air Force asked for \$104.3 billion, an increase of 21%. The Navy claimed \$96.7 billion, an 18% boost. The Army, the services' poor boy for the 14th straight year, requested \$72 billion, up 15%. With the higher budgets came proposed boosts in enlistments: 15,000 for the Air Force (to 610,000), 10,000 for the Navy (to 575,000), 3,000 for the Marines (to 200,000), and 1,000 for the Army (to 781,000).

The new budget, like those in recent years, called for sharply higher outlays for military hardware and weapons development. The Pentagon wants a go-ahead to spend \$107 billion on weapons procurement, up 25% from last year, and \$33.9 billion for research, an increase of 26%. The military's operating and maintenance budget increased 14.7% (to \$80.9 billion), and personnel expenses inched up a relatively modest 9% (to \$67.8 billion).

High on the Pentagon's shopping list were two controversial big-ticket items. Some \$8.2 billion was earmarked for 34 new B-1B bombers. The 1985 budget also seeks \$5 billion to buy 40 MX missiles. Congress provided \$6.2 billion for the MX over the past twelve years, but until fiscal 1984, the money was only for development. Also requested: 48 F-15 fighters (at \$22 million apiece), 150 F-16s (at \$15.1 million) and 720 M-1 tanks (at \$2.1 million). There was a new, high-tech entry: \$1.8 billion in seed money for President Reagan's Star Wars plan to develop a space-based system capable of intercepting missiles targeted at the U.S.

Weinberger defended the increases as necessary if the U.S. is to match the military might of the Soviet Union. The Reagan Administration, he said, "has made significant progress in restoring the credibility of our forces." Yet, he warned, the Soviets outspent the U.S. on defense by a hefty 40% during the past ten years. When



A tall tale: Weinberger with photo of this year's paperwork "I've never thought of myself as a public pornographer."

asked about recent CIA and NATO reports indicating that Soviet military spending has been markedly less than many Western analysts had assumed, Weinberger answered, "It's not what the Soviets spend, but what they get for it."

Weinberger offered an incentive for congressional cooperation. "If we are allowed to continue on the path we have set," he said, "we can look forward to a time, only two fiscal years from now, when defense increases can begin to slow dramatically." The Pentagon projects that outlays would rise 9.2% in 1986 and a mere 3.9% in 1989. The military's share of the overall budget, however, would jump from 29% in 1985 to 32% in 1989—still far less than the 50% high of the mid-1950s.

Democrats on Capitol Hill seemed in

no mood to go along with the Administration's shoot-the-moon request. At the Senate hearing, Edward Kennedy of Massachusetts pressed Weinberger to say whether the U.S., after Reagan's arms buildup, was really weaker than the U.S.S.R. Snapped Weinberger: "I don't answer yes or no to questions like that." Weinberger's reception at the House Armed Services Committee was equally frosty. Given social-spending cuts, said California Democrat Ronald Dellums, the proposed defense budget represents "a level of obscenity that's extraordinarily difficult to understand." Retorted Weinberger: "I've never thought of myself as a public pornographer."

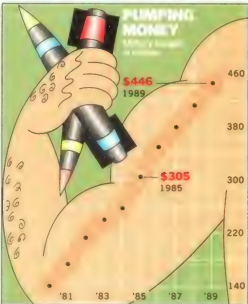
Democrats for Defense, a group of former senior Pentagon officials, held a press conference to criticize the Administration for pushing "unsustainable spasms of spending." They presented a rough list of cuts that would whittle the defense increase to 5%, largely through the elimination of the most controversial weapons systems: the MX, the B-1B and the Star Wars project. When the Government overloads its budget with high-priced hardware, said Robert Komer, an Under Secretary of Defense in the Carter Administration, it is as if a "family bought so many sports cars it could not afford an iron or a toaster."

The debate promises to sharpen this week when maverick Defense Department Analyst Franklin C. ("Chuck") Spinney presents the House Budget Committee with an updated version of his "Plans/Reality Mismatch" study of military cost overruns. Spinney was denied access to the figures Weinberger used in his testimony, but the current budget projections proved damning enough. Despite Reagan's cost-control reforms, says Spinney, the Pentagon continues to make overly optimistic

assumptions about the inflation rate, the amount Congress will actually appropriate for defense, and the cost-saving effects of the "learning curve"—the decrease in the cost of a weapon as it is produced in volume over time. Between 1985 and 1989, for example, the Pentagon assumes the MX will be a full 58% cheaper than it is today. Spinney's all too obvious recommendation: a more conservative budgeting strategy.

By week's end, the question on Capitol Hill was not whether the defense budget would be cut, but how and where. Congressmen, however, have found talking a lot easier than trimming. Last year they shaved only \$17 billion off the Administration's \$274 billion budget authority request. Commented Alan Greenspan, chief economist under President Ford: "Everybody is terribly anxious to control defense expenditures—in other people's districts." —By Susan THILL

Reported by Christopher Redman and Bruce van Voorst/Washington





"Beatrice."

Swiss Miss® Cocoa Mix



"Beatrice."

Santalini® Luggage



"Beatrice."

Fisher® Nuts



"Beatrice."

Cutty Sark® Scots Whisky




"Beatrice."

Vigorone® Livestock Feeds



"Meow."

Arden's® Cat Treats



"Beatrice."

Callard & Bowser Toffee/England



"Beatrice."

LuChuy Soy Sauce



"Beatrice."

CVS Lactosa



"Beatrice."

Tropicana Orange Juice



"Beatrice."

Guangmei Foods/China

Didn't know so many of your favorite products came from Beatrice, did you? We can't show you all of them, but we *can* tell you we stand behind each and every one... because we care. That just might be the reason we've been around for so long... and a pretty good reason for you to remember our name.

Beatrice
You've known us
all along.

Nation

Arms Dance

A glimmer of hope

Watching the U.S. and the Soviet Union decide whether or not to resume arms-control talks is a little like watching a thermonuclear version of "she-loves-me, she-loves-me-not." The rhetoric seems to vary with the day and the mood. Still, last week some rays of progress emerged from the murk of suspicion and ambiguity.

General Edward Rowley, the chief U.S. negotiator at the Strategic Arms Reduction Talks (START), began the week on what appeared to be an upbeat note by declaring that if the Soviets return to the bargaining table, "we are now in a position to make a breakthrough." He suggested that the U.S. might trade some of its edge in bombers and air-launched cruise missiles for Soviet cutbacks in its lead in heavy land-based missiles. He also indicated that the U.S. might be willing to merge START with the Intermediate Nuclear Force (INF) talks, which deal with medium-range missiles in Europe, if the Soviet Union proposed such a move. The next day, however, Richard Burt, the Assistant Secretary of State for European Affairs, dampened hopes by saying that the U.S. had no plans for either the "trade-off" or the arms-talk merger.

Soviet rhetoric also mixed bombast and hints of accommodation. While insisting that "the imperialist" U.S. is "the main threat to peace," Soviet Foreign Minister Andrei Gromyko obliquely indicated that the Soviets might be willing to go along with a merger of START and INF talks. Such a step would allow the Soviets to slide around their vow not to resume INF talks as long as the U.S. was deploying Pershing II missiles in Western Europe.

An even more promising feeler came from an unnamed "high-ranking Soviet official," widely assumed to be Soviet Ambassador Anatoli Dobrynin, who suggested to the *Boston Globe* that the two powers seek a quick "interim agreement" on the less controversial elements of arms control while postponing for the moment the many tougher far-reaching questions.

Meanwhile, there were countercharges that both sides were violating existing treaties. Two weeks ago the U.S. accused the Soviets of four and "probably" three more violations, including the use of chemical warfare in Laos and Afghanistan, and of building a radar system that could be used for antiballistic missiles, which were limited by the 1972 ABM treaty. Last week the Soviets retaliated with similar allegations, including the claim that the U.S. was building an ABM radar system of its own. Arms-control experts said the charges were actually quite moderate. Indeed, in the looking-glass world of nuclear negotiations, the muted accusations were seen as a faint signal that both sides wanted to get some form of arms-control talks going. ■

The Presidency/Hugh Sidey

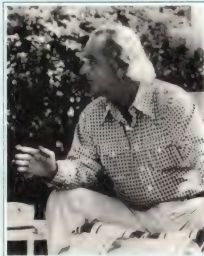
Never Yearning for Home

The New York *Times*'s Scotty Reston, one of the best journalists of his generation, still charges around the world at age 74, probing Presidents and Prime Ministers and urging all those old fogies in public life to retire to their ranches.

Reston, and many others, had it figured out a year or so ago that Ronald Reagan, who turned 73 on Monday, could barely wait to leave the White House and get to the Pacific hills to savor fully his golden years.

Reagan did not retire—never wanted to. Nor did Johnson, Nixon, Ford or Carter. Leaving the presidency is tough on the ego. Once you've played the White House game there isn't much else that looks like fun.

Yet thoughtful people are still swayed by the idea that the presidency is a kind of political purgatory because of its loneliness and burdens. Thomas Jefferson liked plantation life better than running an uncertain new Government and started the idea of a "splendid misery" along the Potomac. Today political opponents often find it comforting to believe that the other fellow is yearning for home.



Unhealthy retirement: L.B.J. at his ranch in 1972

The truth is that recent Presidents do not come to the job by accident. They spend most of their adult lives scheming and maneuvering to get into the Oval Office. They know the presidency's charms and demands. Leaving is the misery.

Those jocular statements by White House Aides Mike Deaver and Jim Baker that Reagan seems to be in better health now than when he started the presidency may be clinically true. A successful leader's body often seems to keep going when it should not. When Lyndon Johnson had a serious heart attack in 1955, a lot of people thought he would be a semi-invalid. His doctor, Vice Admiral George Burkley, found that Johnson's heart functioned normally through five years of the presidency. When Johnson, believing he would lose the 1968

election, reluctantly went home, he seemed to lose purpose, reverted to bad eating and smoking habits, and died in four years.

The fear of assassination has also been overdrawn. The threat is there, as Reagan knows better than anyone. The idea of dying with his boots on is not something any President talks about publicly. But in private a couple of them have made it plain that it is better to take that chance than wither away idly in a rocking chair.

The theory that Reagan would want to quit while he was on top was nothing more than a theory, one put out by people who have never been President. A man at the pinnacle who has had some success smells more; one who has not yet succeeded wants to keep trying.

The fascination, the fulfillment, indeed the sheer exhilaration of standing hourly at the center of world affairs and trying to shape events are neglected in presidential literature. Most Presidents cannot describe their feelings; some are fearful lest such a confession make them seem power hungry, which is an occasional problem at that level. Jerry Ford, perhaps the most modest and candid of the recent presidential crop, explained once while in power, "I can't wait to get to the office each morning to see what problems there are and try to do something about them."

There were probably as many facts known about Reagan's life and career when he took office as any recent President's. Yet we are just now realizing that Reagan was almost incidentally a sportscaster, movie actor and television personality. From his early days in Dixon, Ill., Reagan has been a leader, a man who always searched beyond his immediate occupation for some way to make his presence felt. It was never in the cards that he would give up a habit of 60 years.

Walls That Tumbled Down

Deficits, disrepair and disarray plague public housing

The 13 monolithic high-rises that make up New York City's St. Nicholas public housing project sprawl over an area roughly the size of Rockefeller Center. But there the comparison ends. The hallways are easels for spray-painted graffiti. The stairwells reek of urine and ammonia. Elevators rarely work. Despite this winter's bone-chilling temperatures, the project's 4,000 residents have had heat only intermittently. Several days before Christmas, one shivering tenant accidentally set her apartment on fire with an electric space heater. She had to wait 3½ weeks for the public housing authority to make repairs. She still is without regular heat.

More than a decade ago, dynamite and wrecking balls claimed St. Louis' Pruitt-Igoe, the nation's high-rise symbol of all that was wrong with public housing. But today many big-city projects remain blighted. According to audits released by the Department of Housing and Urban Development last November, nearly a quarter of the country's 134 major public housing authorities are foundering financially. The cause: local mismanagement and shoddy or nonexistent maintenance that has left many of the units so dilapidated that they can no longer be rented. In Providence more than 1,000 of the city's 3,473 original public housing units have been torn down or classified as uninhabitable, at a loss of nearly \$1.1 million in annual rental income. In Indianapolis maintenance crews could not document two-thirds of their repairs. With good reason: when HUD auditors did a spot check, they found one repairman catnapping and another washing his car.

The price of such neglect is staggering. When the public housing program began in 1937, it was envisioned as a pay-as-you-go system. The Federal Government would build the units, and local authorities would pay for their operation and upkeep, mostly through rents. But rising energy costs, inflation, aging buildings and legal limits on the percentage of income that tenants can be required to pay have gradually forced Washington to underwrite more than half of the operating budgets in many cities. Operating subsidies for the nation's 1.2 million public housing units have ballooned from \$28 million in 1970 to \$1.2 billion in 1983. Overall in fiscal 1984 HUD will spend a whopping \$4.4 billion on building, maintaining and repairing public housing.

In Detroit nearly 25% of the city's 10,271 public housing units are vacant. Herman Gardens once housed nearly 100,000 people. Now fewer than half of the 2,100 town-house-style apartments are



Harlem's St. Nicholas

occupied. Many of the rest have been vandalized by outside gangs. In an attempt to shrink its \$11 million deficit, the public housing authority laid off a quarter of its maintenance staff. The result: a backlog of 9,500 uncompleted work orders. The funds that do get allocated for upkeep have been poorly used. The local authority spent \$16 million in federal money over the past two years to install new roofs and windows at Herman Gardens. But at least 320 of these newly repaired units are slated for demolition.

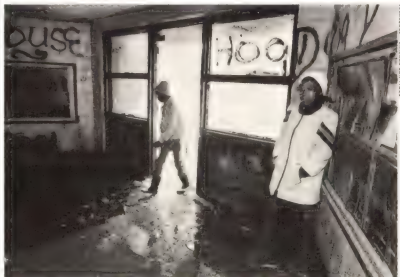
Conditions at Chicago's Cabrini-Green have sunk to new depths since former Mayor Jane Byrne spent three highly publicized weeks living there. Soon after Mayor Harold Washington took office, he appointed Renault Robinson, founder of Chicago's Afro-American Patrolmen's League, to run the Chicago housing authority. Robinson promptly fired 259 repairmen for loafing. But he failed to replace them in time for this winter's subzero cold wave. As a result, boilers shut down and many tenants huddled around space heaters or kitchen stoves. At the nearby ABLA Homes project, a broken sprinkler system flooded the decrepit entrance halls.

Many big-city officials feel that the Reagan Administration deserves much of the blame for the persistence of the nation's public housing mess. "With this Administration, there is always the threat of substantial cuts," says Carl Williams, executive director of San Francisco's housing authority. "You never know from one

year to the next how to plan your budget." Housing officials complain that HUD's operating subsidies are unrealistically low, especially for the bigger projects that consume large amounts of energy. Mayors are miffed at the Administration's refusal to continue President Carter's policy of transferring financially troubled projects to federal authority. In New York City, which took advantage of the federal bailout during the city's fiscal crisis in the 1970s, the change in policy has translated into an unanticipated \$100 million addition to the municipal budget.

Tenants are feeling the pinch as well. Under housing legislation passed in 1981, the Administration raised the amount tenants must pay in rent from 25% of income to an eventual ceiling of 30%. But the Administration simultaneously slashed funds for the Comprehensive Employment and Training Act (CETA) and other social-service programs on which many public housing tenants rely for income. These cuts and high unemployment rates left some tenants and authorities worse off than before. Says Sam Hider, executive director of Atlanta's housing authority: "The tenants lose their jobs and have no money, and you can't get it from them."

Behind the finger pointing lurks a larger issue: the proper role of Government in public housing. "The Federal Government has an obligation to see poor people housed," declares San Francisco Mayor Dianne Feinstein. The Reagan Administration, however, has a hands-off philosophy. "Throwing money at the problem is not the solution," says Warren Lindquist, HUD's Assistant Secretary for Public Housing. "The troubled authorities need better management and more community control." Since taking office, the Administration has virtually eliminated HUD's function as a builder of low-cost



A midwinter flood: a broken sprinkler system deluged an entrance to Chicago's ABLA Homes. Graffiti, idle elevators, and families huddled around stoves and space heaters.



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The Muffin-Mix Scare

A dangerous pesticide is banned by the EPA

housing, choosing instead to spend \$5.8 billion on modernizing existing units.

Reagan has proposed a private-sector substitute: a housing voucher program, whereby poor families could shop for housing in the private rental market with federally subsidized cash vouchers. The Administration argues that the program will save the Government money and give people more control over their choice of dwellings. Critics charge, however, that the supply of private, low-cost housing is too small, and the opportunities for landlord price gouging and client abuse too great, for the system to succeed.

The fiscal squeeze has spurred creative thinking on the local level. San Francisco has arranged for a local commercial developer to renovate, rent and manage 82 units in the Hunter's Point housing project. The developer sets the rents, with housing authority approval, but the apartments must go to low-income tenants. The city strictly enforces an innovative construction policy. Before a developer can get a permit to build a new downtown office building, he must agree to put up new housing or pay a fee that is earmarked for that purpose. Of the \$20 million collected since 1981, when the program started, \$3 million has been used to renovate two public housing projects.

To reduce vandalism and rapid turnover, New York City's housing authority has quietly implemented a policy of "economic integration": the placement of more middle-income and working tenants in public housing projects. Welfare families fear the change will push them out. But other public housing tenants welcome the prospect of more responsible neighbors. "When you work for your money and you pay your own rent, you appreciate things more," contends Martha Henry, who has lived for 30 years in Manhattan's Dyckman project. "That's why welfare apartments are different."

Originally designed in the wake of the Depression as a way station for the temporarily unemployed and the working poor, public housing projects are nowadays looked upon as permanent homes for a growing number of very low-income people, most of whom are black, Hispanic or elderly. Nearly 10% of Boston's population lives in public housing. In New York there are 175,000 families on the waiting list. An increase in the number of urban homeless threatens to pressure the system even further. The need for improved programs for funding and managing low-income housing is critical, but until they are developed, existing projects will need to be maintained. HUD estimates it would take \$67 billion to replace them. Without public housing or low-cost alternatives, says Carrie Copeland, president of Capitol Homes Tenant Association in Atlanta, "there's nowhere else to go." —By Susan Tift. Reported by Patricia Delaney/Washington and Thomas McCarroll/New York, with other bureaus.

"Another bowl of grits won't kill anyone," said Ron White, assistant commissioner of the Texas department of agriculture. Maybe so, but how about another slice of birthday cake? Unsure, state health officials in Florida swept grocery-store shelves of some shipments of Betty Crocker cake mixes, Gold Medal flour, Dixie Lily corn grits and Martha White's hush puppies, among other goodies. In California, the state asked Procter & Gamble to take Duncan Hines muffin mixes off the shelves, and in Massachusetts, the public health commissioner recommended that consumers return 46 different cake mixes and grain products to the store.

The cause of the panicked shelf cleaning was a chemical called ethylene dibro-

midate. At the same time, Ruckelshaus moved to ease fears. "We must calm down," he said to a packed news conference in Washington, D.C. EDB is generally no longer used to treat grain, and the stored harvest that has been fumigated can be made safe simply by airing it or storing it longer. Most of the cake mix falls below the federally acceptable levels, and cooking will eliminate about 97% of EDB.

Ruckelshaus put off any decision on the use of EDB on citrus fruits. Only about 2% of citrus fruits consumed in the U.S. are treated with the chemical. While there are safe alternative pesticides for grain, no entirely safe substitute has been found yet for citrus. Aldicarb, a granular pesticide, is used in Florida but was temporarily



Administrator Ruckelshaus shows the agency's new standards for EDB

midate, or EDB. A highly effective pesticide similar to DDT, it is also a dangerous carcinogen. Farmers have used EDB to keep bugs off grain and citrus fruit for more than 30 years, and scientists have known the cancer risk for the past ten years. But the Federal Government has been slow to act, prompting nervous state authorities to begin testing and in some cases banning food products shown to contain traces of the chemical.

Last week the Environmental Protection Agency responded to the furor by outlawing the use of EDB as a pesticide for grain and by recommending national standards for grain products already tainted by the chemical. EPA Administrator William Ruckelshaus, who during a previous reign at EPA banned DDT in 1972, announced ceilings of 30 parts per billion of EDB for ready-to-eat food, like cold cereal or bread; 150 p.p.b. for flours and baking mixes; and 900 p.p.b. for raw grain in storage. Because of a loophole in the law that exempted EDB from federal tolerance standards in 1956, these levels are voluntary, but the states are all expected to comply.

banned last year when traces of it were found in water supplies.

Still, some experts argue that the hazards of EDB are exaggerated. "Compared with smoking, the danger of eating a few muffins is incredibly low," says Bruce Ames, chairman of the biochemistry department at the University of California at Berkeley. "It doesn't deserve the headlines it's been getting. A peanut-butter sandwich is more of a risk."

For state and federal regulators, the real question is what level of risk is acceptable. "Any amount is a risk," says Olaf Lefson, environmental monitoring chief for the California department of food and agriculture. "It's how much society wants to tolerate." Though federal law technically bans any carcinogen in food, in practice the Government allows small levels if the cost of eliminating the cancer-causing substance is too high. The difficulty is weighing possible future lives lost against immediate economic cost. Consumers who fear any EDB at all can return to an old but forsaken faithful: plain white bread. It has virtually none. ■



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Facing a Rough Rockies Winter

Water and wildlife worries

"This winter," says Doug Crowe, a Wyoming wildlife official, "started out like a bear cat." For the moment the growl is gone: the Rocky Mountain states are having a respite from the terrible extremes of cold and snow. But with their day-to-day challenges of survival eased, people now have time to fret—about wildlife and water. From Denver to Boise, Idaho, herds of antelope, deer and elk are wandering out of the deep back-country snow dazed and starving. The snowfall, three or four times as great as normal, makes Rockies residents look toward the spring thaw with apprehension. Says California Meteorologist Jerome Namais: "This is potentially a very dangerous situation."

All over the region, the snow facts seem almost like Paul Bunyan tall tales. Utah and Idaho last endured such snowy winters in the 1880s. In Alta, Utah, more than 20 ft. fell during December alone, exceeding the previous record by 5 ft. "I've never seen a winter this hard on deer," says Joe Gerrans, a Colorado wildlife supervisor. The snows came unusually early, so the herds had only a brief time for winter foraging. Now much of the sagebrush and other shrubs is covered by a layer of snow so thick and crusty that the hungry animals are roaming toward settled areas for food. They often wander plowed roads and railroad tracks: 400 antelope were struck and killed by trains in one week in Carbon County, Wyo.

Where prey go, predators follow: coyotes are coming close to towns to eat deer. Or whatever. "Archibald, my cat, won't go out at night any more," says D.J. Bassett of Jackson, Wyo. "He's no fool."

The hungry herds can be irksome as well as pathetic. The animals knock down fences and eat food meant for livestock. In Montana, the state distributes defenses to ranchers: dried hog blood is sprinkled around haystacks to repel deer, and wooden elk barricades, made by state prison inmates, are being erected.

Even more is being done to feed the ravenous animals. Typically, winter kills 5% to 15% of the herds; this season more than half of some herds could die. Colorado, with 550,000 deer and 130,000 elk, may spend \$1.6 million for emergency feeding. One morning last week near Kremmling, Colo., Gerrans and his crew took their Sno-Cat, a huge cart with tank-like treads, rumbling out for the daily 14-mile feeding sortie. The men scattered high-protein biscuits by the handful across the snow. Soon a pair of mule deer appeared, then five or six. Then hundreds of deer were bounding over ridges and struggling down hillsides, each eager for its 42e-a-day state feast. Gerrans figures he feeds 20% of the deer and 50% of the elk in his three-county area. "They don't



Determined rescue workers in Salmon, Idaho, wade through flood from the Lemhi River



Fresh water flowing into Great Salt Lake caused more ice than at any time since the 1940s

know how to say they appreciate it," the husky, Marlboro-smoking man notes sweetly, "but I know they do."

Volunteers help too. Boise's Red Dog Saloon raised \$410 to feed deer by holding a benefit dinner featuring venison chili. President Reagan sent a \$100 check to Utah to help the animals. In Jackson Hole, Wyo., Hunting Guide Les Levenstein has spent \$2,500 feeding 100 deer and 75 elk in his yard every day.

Some unsentimental experts consider such efforts misguided. "Wild animals have amply demonstrated over several million years that they will take care of themselves," says Wyoming's Crowe, who does not mind that cold weather is culling the state's overabundant (400,000) antelope herd. Jack Grieb, Colorado's wildlife director, sees an expensive precedent. "We fear the public will force us to feed the animals every year."

A more difficult task is protecting the public when the snow melts. The 14 Colorado River dams operated by the federal Bureau of Reclamation are supposed to prevent floods and provide irrigation for a vast swath of the West. "It's a juggling act," says the bureau's Clifford Barret,

who manages the upper Colorado, "and a lot of people are looking over your shoulder all the time." Last spring, when the swollen river badly overflowed, the bureau was blamed. This year the bureau is sluicing 68% more water through Hoover Dam to prepare for the big thaw.

Rivers are ornery. In Idaho last month the ice-jammed Lemhi River flooded the town of Salmon (pop. 3,300), displacing hundreds of people. Utah's Great Salt Lake, its rising waters thick with ice chunks, is worrisome. The lake has risen 7 ft. in just over a year and thus expanded by 359 sq. mi. By June, nearly 190 sq. mi. of additional land may be submerged. Briny water already laps over Interstate 80 just outside Salt Lake City, and dredging crews are working 24 hours a day to build earthen dikes.

Westerners have a knack for weathering such rigors. Yet winter's hardest times may be ahead. Says Doug Day, Utah's wildlife director: "Generally, we get most of our winter kill in February." And federal Hydrologist Kenneth Jones says the flood question is unsettled. "What snow falls after Feb. 1," he notes, "can really make or break you." —By Kurt Anderson.

Reported by Robert C. Wurmstedt/Denver

World

THE HEMISPHERE

Pilgrimage for Democracy

On a five-nation swing, Shultz sees more realism and hears less rhetoric

The mission was intended, in the words of a top U.S. official, to "promote democracy" in a region more often noted for its absence. For the Reagan Administration, it was also a chance to test diplomatic waters that have been roiled with resentment of assertive but erratic U.S. policies. Yet as the U.S. Air Force 707 carried Secretary of State George Shultz on a nine-day, five-country tour of Latin America and the Caribbean last week, the important thing was that, for once, something other than a geopolitical crisis was on the horizon.

The theme behind most of the stopovers on Shultz's itinerary was democratic transition. Taken together, the visits—to El Salvador, Venezuela, Brazil, Grenada and Barbados—emphasized a hemisphere watershed. Authoritarian rule in the Americas has been gradually descending from its zenith in the '70s. As Shultz put it: "The progress of democracy is a very important development." Long criticized for being too sympathetic to military regimes in the southern part of the hemisphere, the Administration sees the trend as a vindication of its strategy of behind-the-scenes pressure, rather than confrontation, in pursuing democratic aims.

Another American goal may still be out of reach. It is to prove to nervous neighbors that U.S. diplomatic and military actions in Central America and Grenada are part of a credible commitment to peaceful change in the region, even while they keep the forces of radicalism and violent upheaval at bay. A senior U.S. diplomat acknowledged the challenge as he noted that many of the hemisphere's countries "are upset by what they fear the U.S. intentions are. They don't want a return to Yankee unilateralism or intervention."

In each of his initial stops last week, Shultz tried to tailor his diplomatic role to the prevailing circumstances. During a seven-hour stay in El Salvador, the Secretary emphasized the Administration's firm support for the March 25 presidential election, which Wash-

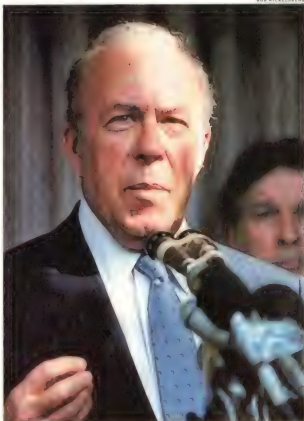
ington views as a crucial step in ending the country's civil war. Helicoptering with his entourage into the capital of San Salvador (in unmarked troop carriers seconded from the U.S. forces on maneuvers in neighboring Honduras), Shultz was the guest of Provisional President Alvaro Magaña at a lunch attended by the six candidates in the presidential race. Among them were the two front runners: former President José Napoleón Duarte, a Christian Democrat appreciated in Washington for his moderation, and Roberto d'Aubuisson, leader of the ultrarightist Nationalist Republican Alliance. D'Aubuisson has been accused of being linked to the right-wing death squads that have killed thousands of people in the country over the past four years, in a deliberate show of disapproval, the State Depart-

ment last November denied him a visa to visit the U.S.

Privately, American diplomats concede that a D'Aubuisson victory would be a disaster for U.S. policy in El Salvador. They fear that it would lead to a revolt in Congress over the Administration's planned request for \$179 million in additional military aid for the country this year and would threaten the \$8 billion regional aid package recommended by the bipartisan Kissinger commission on Central America. In a significant shift of position, the Administration has announced that the proposed aid package would "condition" military assistance to El Salvador on the basis of periodic reports on human rights progress.

With an eye to the audience on Capitol Hill, Shultz also warned his hosts about right-wing excesses in El Salvador. "Death squads and terror have no place in a democracy," he said. "The armed forces must act with discipline in defense of the constitution, and the judicial system must prove its capacity to cope with the terrorist acts of extremists of the right or left." But then the Secretary tempered his criticism with praise for Salvadoran efforts to clean up the death squads and added that the aim "is not to satisfy the U.S. Congress but the values we all want to live by. It's good for the people of El Salvador as well as what we'd like to see."

In Caracas, Shultz's chief task was to attend, along with twelve Latin American and Caribbean leaders, the swearing-in of the country's sixth consecutive civilian President, Jaime Lusinchi. Prior to the ceremonies, Shultz met with representatives of four Central American countries—El Salvador, Guatemala, Honduras and Costa Rica—who are seeking a negotiated regional settlement with Marxist-led Nicaragua to the sputtering Central American conflict. U.S. officials initially feared that under Lusinchi's leadership, Venezuela might pull away from the so-called Contadora process of sponsorship for the negotiations. Such a



Warning against right-wing excesses: Shultz in El Salvador

"Death squads and terror have no place in a democracy."

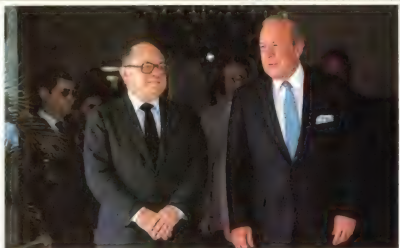
move would deal a severe blow to Washington's claim that it, too, supports a negotiated solution to the problems of Central America.

The U.S. fears were ill founded. Even before Shultz and the new President held a 75-minute private meeting, Venezuelan officials indicated that they would continue to support the Contadora process. Nonetheless, Lusinchi served notice that his country intended to play a more modest role in regional politics in the future. Most of Venezuela's energies, he said, will go toward grappling with its \$34 billion foreign debt, the result of chronic overborrowing during a time of declining revenues for the country's chief export, oil. For domestic political reasons, Lusinchi is resisting the traditional medicine for fiscal over-indulgence: a stiff dose of austerity under the supervision of the International Monetary Fund. Setting the tone for what promises to be a drawn-out series of negotiations with U.S. and European banks, Lusinchi warned creditors in his inaugural address that Venezuela will "pay back every penny it owes," but not under terms that "impede the progress of the country."

A happy byproduct of the Shultz visit to Caracas was further confirmation of the fact that the Latin American hackles raised against Washington as a result of the 1982 Falklands war have now subsided. Even though Venezuela was the South American country that most vocally objected to U.S. support for Britain in its war against Argentina, Lusinchi did not raise the issue in talks with the Secretary of State. Shultz may have laid the Falklands ghost to rest during a private meeting with another inaugural guest: Argentina's newly elected civilian President, Raúl Alfonsín. A consistent opponent of the Falklands adventure engineered by his military predecessors, Alfonsín raised the possibility with Shultz of a U.S. force replacing the British on the islands. Shultz gave no answer. Officials in London also disclosed last week that for the past two months Argentina and Britain have communicated secretly through Swiss and Brazilian intermediaries concerning the Falklands, even though Britain has not modified its refusal to negotiate the sovereignty of the windswept South Atlantic islands.

What Shultz discovered on the Caracas leg of his journey was not old hostility toward the U.S. but a new assertion of diffidence. Summed up Simón Alberto Consalvi, a senior Venezuelan Cabinet minister: "We must focus relations with the U.S. under a new perspective. It is necessary to carry out relations very cautiously, without making declarations of love."

Before he left Caracas, Shultz had a few tart words for another guest at the Lusinchi inaugural, Daniel Ortega Saavedra, the head of Nicaragua's ruling junta. Ortega had charged that the Kissinger commission had secretly recommended to the White House that the U.S. invade Nicaragua and El Salvador to protect American interests. Shultz dismissed the accusation



Chatting with Provisional President Magaña at his residence in San Salvador



Receiving official greetings from new Venezuelan President Lusinchi in Caracas

as a "figment of [Ortega's] imagination." Back in Washington, Kissinger called the accusation "a lie."

Shultz then flew on to Brazil, landing without fanfare in Rio de Janeiro. At week's end, he was enjoying a tropical round of golf with an aide at the lush Gávea Golf Club prior to a scheduled hourlong meeting on Monday in Brasilia with the country's military President, João Baptista Figueiredo. Once again, progress toward full democracy was liable to be discussed: Figueiredo will step down from the country's most important remaining nonexecutive political office in March 1985, probably in favor of a civilian.

The two men are also expected to discuss the parlous state of Brazil's economy. With the largest foreign debt in the Third World (estimated at \$93 billion), inflation galloping at an estimated annual rate of 215%, and a third consecutive year of negative economic growth in 1983, Brazil (pop. about 131 million) is in acute social pain. Foreign bankers granted the country a brief breathing space two weeks ago with a \$6.5 billion "jumbo"

loan. But the U.S. Commerce Department had earlier added to Brazil's burden by ruling that steel exports to the U.S., which totaled \$1.3 billion last year, were unfairly subsidized and thus subject to penalty duties. Further economic blows of that kind could threaten the country's long and gradual "opening" to full civilian rule, and complicate what is essentially a long and stable friendship between Brasilia and Washington. Predicts a Brazilian banker: "Late 1984 could be a crucial period for U.S.-Brazilian relations."

Before ending his trip with a brief courtesy visit to Barbados, Shultz will look in on yet another tricky democratic transition, in tiny Grenada (see following story). But with much of the diplomatic pilgrimage still ahead, a senior U.S. official traveling with the Secretary made the expansive claim that "on the whole, U.S.-Latin relations are doing rather well." In a hemisphere astray with the problems of debt, military menace, and the heady aura of democracy, the notion was comforting but still mercurial.

—By George Russell.
Reported by Johanna McGeary with Shultz and William McWhirter/Caracas

World

Keeping the Welcome Mat Out

Can the U.S. restore democracy before the good will wears thin?

"Thanks be to Papa God and Daddy Reagan!" cried one exuberant islander. Local musicians sang the praises of America to a lilting calypso beat, while other townfolk sold T shirts emblazoned with the slogan THANK YOU U.S.A. FOR LIBERATING GRENADA. When 653 Americans stepped ashore last week from the *Cunard Countess*, the first cruise ship to glide into St. George's since the U.S.-led invasion of Grenada last October, they received a rousing welcome. "This," said a smiling taxi driver, "is the invasion we've been waiting for."

The island will greet an even more significant invader with open arms this week: U.S. Secretary of State George Shultz, who will be the guest of honor at the celebration of Grenada's tenth birthday as an independent nation. Shultz may find, however, that the islanders are at present more interested in dependence. According to an informal poll conducted by Professor William Adams of George Washington University, three out of every four Grenadians would like their country to become part of the U.S. Some 60%, moreover, want Washington to increase the 275-strong American contingent that maintains order on the island. Yet behind the Spice Island's extravagant gratitude loom problems for the U.S. To justify its "rescue mission" internationally, Washington must show that it can restore democracy to the island, then withdraw its troops before the good will wears thin.

Governor-General Sir Paul Scoon is Grenada's largely ceremonial leader, but the island has been run since mid-November by a nine-man advisory council made up of technocrats and civil servants. Nicholas Brathwaite, an educator who serves as the body's chairman, told TIME last week that it was committed to holding elections within a year. But Grenada's self-confidence has been so shattered by its recent



Return of the native: Gairy back in town

political turbulence that many citizens seem quite content to postpone elections indefinitely. Their fears have been fanned by the ominous reappearance of the island's most distinguished and distrusted politician, Sir Eric Gairy, 61.

Grenada's first post-independence Prime Minister, Gairy ruled the island from 1974 until the bloodless coup staged by Maurice Bishop and his Marxist-oriented New Jewel Movement five years later. During that time, Sir Eric won dubious international fame by claiming that he had been divinely chosen and compounded it by urging the United Nations to look into UFOs. More alarming, he backed up his mysticism with despotism, choosing to police the island with an unruly pack of thugs known as the Monogoose Gang. After a five-year exile, mostly in San Diego, Gairy returned home last month claiming that he had no designs on the leadership and insisting that he had developed "better respect for moral values." But his sense of divine mission could shift at any moment. Most Grenadians believe that at the very least he will install himself as the island's mightiest power-

broker. Last week the white-shirted Gairy could be seen in his headquarters pointing with messianic fervor to a huge cross and boasting that he had won six of Grenada's last seven elections. U.S. officials concede that Washington would be highly embarrassed if democracy brought Sir Eric back to power.

None of Gairy's political rivals, however, can muster much short-term confidence. Herbert Blaize, 65, leader of the Grenada National Party, maintains that "elections held too soon will not be a fair reflection of the will of the people." Chief Education Officer George Brizan, 41, is planning to form and lead the National Democratic Party, but its main draw is Robert Grant, a longtime lecturer in law who also happens to be "Soca Boca," one of the island's hottest disc jockeys. Winston Whyte, 39, who was released from four years of imprisonment during the invasion, hopes to drum up support in the villages. But he too concedes that "Gairy is the most organized force in the country."

All three men are also overshadowed by the memory of Bishop, the popular former Prime Minister who has been locally regarded as a martyr ever since he was executed during last October's traumatic coup. While his former deputy and usurper, Bernard Coard, still languishes in jail awaiting trial, T shirts depicting Bishop are selling for \$15 apiece in a small second-floor room now known as the Maurice Bishop Memorial Center. Yet the New Jewel Movement remains coy about its political plans. Small wonder, then, that when Professor Adams asked the islanders whom they would like to see as Prime Minister, 77% would not name any local politician; 7% wistfully chose Ronald Reagan.

That attitude largely reflects desperation over the country's economy. Unemployment, which was 14% before the invasion, has ballooned to 33%. Business is at a standstill, awaiting completion of the Cuban-built airstrip (estimated cost: at least \$70 million) that the U.S. saw as a strategic threat to the region. These days the two-mile runway mainly serves as a jogging track for the U.S. charge d'affaires, Charles Gillespie. "If the U.S. doesn't do something quickly," says a local businessman, "the well of pro-American enthusiasm could run dry."

Washington has already contributed \$15 million in arms and equipment to the 500 Caribbean personnel who patrol Grenada. It has also sent down eight-man Army units to train defense forces in the seven Caribbean nations that called for the U.S. invasion. But its work is far from over. At a meeting in St. George's last week, Caribbean leaders unanimously agreed that the U.S. troops would most likely have to remain at least through the elections. "As peaceful as Grenada is today," says Brathwaite, "we cannot, must not, dare not keep our guard down."

—By Pico Iyer.

Reported by Bernard Diederich, St. George's



Island vendors ambush the latest wave of invaders: American tourists from a cruise ship

"If the U.S. doesn't do something, the well of pro-American enthusiasm could run dry."

MIDDLE EAST

The Long Waiting Game

Skirmishing intensifies in Lebanon—and in Congress

As usual, the awful sounds of battle shrieked through Beirut last week, but this time the fighting reached its bloodiest peak since last summer. Day and night, the clatter of machine-gun fire and the thump of shells could be heard not just in the city but throughout a 30-mile crescent stretching from Jounieh in the north to the mountain district of Kharroub. In the suburbs of Beirut, the Lebanese Army clashed with Shi'ite militiamen. In the hills east of the city, government soldiers fought forces loyal to Druze Leader Walid Jumblatt. At the southern tip of the Chouf Mountains, the Druze and the Christian Phalange killed each other. Only West Beirut and the airport, where the U.S. Marines are stationed, were spared direct attacks.

Since all sides have failed to settle on a security pact that would separate the feuding factions, no one group can be blamed entirely for the bloodletting. Amal, the country's largest Shi'ite organization, did spark some of the fighting. Increasingly unnerved by rumors that government troops would move into the city's predominantly Shi'ite southern suburbs, Amal militiamen overran four army checkpoints, including a key tactical post on the main highway to Damascus. At the height of the combat, many people in Beirut feared that all-out war was imminent. Martial music filled the state-controlled air waves, the government issued a frantic call for volunteers, and Jumblatt warned that a "decisive battle" is inevitable. When the artillery fire quieted down, the disturbing news came that several hundred Syrian-backed guerrillas from the Palestine Liberation Organization were aiding the Shi'ites.

Just as the fighting in Beirut intensified, so did the skirmishing between the White House and Congress over the Marine presence in Lebanon. Prodded by Speaker Tip O'Neill, the House Foreign Affairs Committee held hearings on a resolution that urged the "prompt and orderly withdrawal" of the 1,800 servicemen. Though the measure would set no deadline and be nonbinding, an exchange between Ronald Reagan and O'Neill illustrated how bitterly politicized the issue has become in a presidential election year. "When a policy fails, we in the opposition have a special responsibility to point out that failure," said the Massachusetts Democrat. Retorted Reagan: "How could he possibly know?" The President bluntly added that he was "not going to pay any attention" to the proposed resolution.

Besides recommending such steps as replacing the Multi-National Force with U.N. peace-keeping troops, the text called upon Reagan to submit a written report within 30 days detailing his progress toward achieving a Marine pullout. Some Democrats urged a specific timetable, but

the prevailing view was that to set a withdrawal date would embolden Lebanese President Amin Gemayel's foes, which in turn would prompt Republican charges that the Democrats had stymied a political reconciliation among Lebanon's factions. The absence of stipulations also made political sense for O'Neill's party: a nonbinding resolution with no deadline is likely to attract the most votes in Congress.

Committee members postponed voting on the measure, however, after hearing an impassioned defense of Administration policy by Under Secretary of State for Political Affairs Lawrence Eagleburger. He predicted that a removal of the Marines now would only encourage Syria to seek greater sway over Lebanon. Said Eagle-

also urged that the Marines be brought home. Said Wyoming's Alan Simpson, one of the defectors: "If Reagan does not resolve this before the election, it won't matter what he's done on inflation, the economy, taxes or whatever."

Calls for a Marine withdrawal came from another unexpected source last week: Saudi Arabia. Speaking to a delegation of visiting U.S. businessmen in Riyadh, Crown Prince Abdullah said that the U.S. troops should be getting Israeli forces out of Lebanon. Syria, he noted, would follow suit. Such advice from Abdullah, who is King Fahd's half brother and Deputy Prime Minister, astounded U.S. officials. Not only have the Saudis been urging Washington to stand fast in Lebanon, but they have been the prime brokers in negotiating a Lebanese security pact. Informed of Abdullah's speech, Secretary of State George Shultz appeared genuinely surprised. "The U.S. objective is to create something in Lebanon that is



Taking aim: A Shi'ite militiaman fires at Lebanese Army position in Beirut

Martial music, a government call for volunteers, and ominous talk of a "decisive battle."

burger: "Letting Syria gobble up Lebanon now may only be guaranteeing that in the near-term future an even greater crisis will occur, forcing Israel, and perhaps also the United States, to react in even more dangerous circumstances."

Eagleburger's plea helped persuade the resolution's sponsors to soften the language. Criticism of the Administration's policies will probably be modified or dropped altogether, while a passage acknowledging the value of keeping the U.S. Sixth Fleet off the Lebanese coast will be added. But a Marine withdrawal will still be demanded, as will the written report.

The resolution is unlikely to come up for a vote in the Republican-controlled Senate until late March, when a bill proposing aid to Lebanon is scheduled for debate. Normally, the Administration could count on winning the battle in the Senate, but last week two Republican Senators

sible," he said, "and that is what Saudi Arabia has said it wants too."

That goal remains as distant as ever. U.S. Special Envoy Donald Rumsfeld had no luck pushing the security plan in either Damascus or Beirut last week. Jumblatt continued to insist that a political solution among the country's factions must come first, but added that such talks with Gemayel would be a "waste of time." Some U.S. officials have grown discouraged enough to believe that even if Gemayel satisfied Syria by giving up the May 17 accord with Israel, Syria would still block the security pact. "The Syrians are the only ones who want to stay in Lebanon, so they are just going to wait us out," said a U.S. diplomat. The question now is how long Ronald Reagan is willing or able to wait.

—By James Kelly, Reported by Barrett Soeman/Washington and William Stewart/Beirut

Discontent in the "North Bank"

Like the U.S., Israel faces pressure to bring the boys home

"I can remember some people throwing perfumed rice at the feet of the Israelis when they arrived in 1982," says a businessman in the Lebanese port city of Sidon. "Now the same people are throwing bombs." The Israelis acknowledge that they do have a problem. During a quick visit to his troops in southern Lebanon last week, Israel's Chief of Staff, Lieut. General Moshe Levy, was repeatedly asked by soldiers how it would all end. "How do I know?" Levy responded. "I am no prophet." Then he added, "We are aware of the problem: if we stay here too long, we shall be perceived as occupi-

ing out the P.L.O., which had alienated many Lebanese by creating a state within a state in the area. By the standards of occupying forces in the Middle East, the Israelis have behaved reasonably well, but they are resented for staying too long. In a wry allusion to the West Bank of the Jordan River, which Israel has occupied since the 1967 war, southern Lebanon has come to be known to some Israelis and Lebanese as the "North Bank." Says Mohammed Ghaddar, leader of the Shi'ite Muslim Amal militia in the region: "We thought the Israelis would be here for a few weeks and then would get out. Now

of the village have come to hate them."

Following the bombing of the Israeli military headquarters in Tyre on Nov. 4, a Shi'ite terrorist action in which 61 people were killed, the Israelis instituted stringent security precautions at the Awali River bridge. The result has been a horrendous traffic bottleneck at the bridge. Trucks, many of them carrying consumer goods between Sidon and Beirut, have sometimes had to wait two days or longer to get across, and almost never less than several hours. This has led to sporadic shortages and to big fluctuations in prices. To ease the situation, the Israelis are building an eight-lane checking station, which should be finished by the end of the month.

Everywhere there is a sense of danger. In January alone, the Israeli forces reported 60 terrorist incidents, including



Israeli soldiers search a southbound car at the Awali River checkpoint; Chief of Staff Moshe Levy with Israeli troops in southern Lebanon

ers against whom all will rise up."

In many ways, the Israelis' dilemma parallels that of the Reagan Administration, which is convinced that it cannot pull the Marines out of Lebanon without destroying the Lebanese government of President Amin Gemayel and damaging Washington's credibility in the bargain. The Israelis actually signed an agreement with Lebanon last May, promising to withdraw their troops if Syria did the same. When Syria refused, Israel, in an effort to reduce casualties, drew its army back to the Awali River, some 17 miles south of Beirut. Now, with domestic pressure mounting, the Israeli Defense Forces (I.D.F.) would gladly pull back to Israel's own border. But to do so, they fear, would be to allow the Syrians to gain control over the region and perhaps enable what is left of the Palestine Liberation Organization to return. And that, in turn, would constitute an admission that the war in Lebanon, in which more than 560 Israeli soldiers were killed and 3,000 wounded, had been fought in vain.

When the Israelis first entered southern Lebanon in June 1982, they were generally welcomed because they were driv-

ing out the P.L.O., which had alienated many Lebanese by creating a state within a state in the area. By the standards of occupying forces in the Middle East, the Israelis have behaved reasonably well, but they are resented for staying too long. In a wry allusion to the West Bank of the Jordan River, which Israel has occupied since the 1967 war, southern Lebanon has come to be known to some Israelis and Lebanese as the "North Bank." Says Mohammed Ghaddar, leader of the Shi'ite Muslim Amal militia in the region: "We thought the Israelis would be here for a few weeks and then would get out. Now

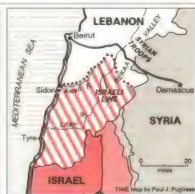
of the village have come to hate them." Following the bombing of the Israeli military headquarters in Tyre on Nov. 4, a Shi'ite terrorist action in which 61 people were killed, the Israelis instituted stringent security precautions at the Awali River bridge. The result has been a horrendous traffic bottleneck at the bridge. Trucks, many of them carrying consumer goods between Sidon and Beirut, have sometimes had to wait two days or longer to get across, and almost never less than several hours. This has led to sporadic shortages and to big fluctuations in prices. To ease the situation, the Israelis are building an eight-lane checking station, which should be finished by the end of the month. Everywhere there is a sense of danger. In January alone, the Israeli forces reported 60 terrorist incidents, including

That is putting it mildly. Three weeks ago, after one of their military positions was fired upon, Israeli troops drove to the village of Hallousiyeh (pop. 800). They arrested a number of villagers, including the local spiritual leader, Sheik Abbas Harb, and bulldozed his house into rubble. Every day since then, villagers have gathered at the mosque to pray for the sheik's release. Loudspeakers on minarets call out angry messages: "God is with us. Death to the Israelis. [Ayatullah] Khomeini is the Great Imam."

The religious fervor behind the resistance to the Israeli occupation adds another dimension to the problem. The people of southern Lebanon are predominantly Shi'ite Muslims. Like Shi'ites elsewhere, they have been influenced by the revolution in Iran. Mullahs in southern Lebanon have exploited the rising tensions and encouraged rebellion. Says a young man in Hallousiyeh: "If the Israelis don't leave, we will shed our blood to get them out. Even the children

remote-control bombs, booby-trapped cars, land mines and grenade assaults. "I want to get out of here," an Israeli soldier in Sidon told TIME Jerusalem Bureau Chief Harry Kelly. "I don't want to be killed here. It's crazy. They are crazy. We are crazy." New security precautions are in effect. Foot patrols supported by armored personnel carriers check ditches alongside main roads for bombs. Motorized patrols formerly conducted with open Jeeps are more often undertaken with APCs bristling with machine guns. Centurion tanks stripped of their turrets are used as mobile pillboxes. In many places, the concrete walls bordering citrus orchards have been knocked down to reduce the risk of ambush.

How can the Israelis work their way out of the quagmire? "We are trying to reduce our presence here to the minimal level," Chief of Staff Levy said last week. Ideally, the Israelis would like the Lebanese government to extend its writ to the south. But the Lebanese army, bogged down in renewed fighting in Beirut and the nearby Chouf Mountains, is not strong enough to undertake such a task. The Israelis continue to support the



1,000-man Free Lebanon Forces, the militia that was led by Major Saad Haddad until his death last month, and they hope that it will eventually be integrated into the Lebanese army. Still another possibility would be an extension of the role of the 5,600-man U.N. force that is presently deployed south of the Litani River. If the Security Council would authorize it to do so, the U.N. force could extend its area of responsibility to the Awali River.

The continuing occupation is having a profound impact on the Israeli forces. Some high-ranking Israeli officers, including Major General Yossi Peled, argue that this enormous burden has caused the I.D.F. to neglect its training. Others, including General Levy, have asserted that Israel is simply relying too heavily on its troops to perform occupation duty in the West Bank and now the North Bank. Says Levy: "Our commanders ought to be dealing only with security matters." Some have even declared that the Israeli army is not ready for the next war, wherever and whenever it may come. That, in the opinion of most Israeli military experts, is probably not true. But the cost in lives and matériel might be high, at least in the early stages of fighting.

The I.D.F.'s morale problem stems in part from the unpopularity of the war in Lebanon and the war's ambiguous conclusion. It also comes from the knowledge that there have been occasional charges of corruption within the I.D.F., instances of drug abuse, and about 100 cases in which young Israelis refused to serve in Lebanon. That is troubling for a small state in which the willingness of the citizenry to serve in the armed forces has always been regarded as indispensable to national survival. "Our main source of strength is still our human resources," says General Levy. "Yet I am worried about the flow of the younger generation into the career ranks of our officer corps. The more sophisticated our weapons systems become, the more we have to rely on the human factor to use them skillfully." If only for this reason, he implied, he would like to wrap up the occupation of southern Lebanon and get on with the essential task of repairing the structure and spirit of his defense force.

—By William E. Smith. Reported by John Borrell/Beirut and David Halevy/Jerusalem

SOUTH AFRICA

Marching (Back) to Pretoria

Looking for peace, Botha withdraws troops from Angola

Prime Minister Pieter W. Botha called it "a new era of realism in southern Africa." Although it was only a first, tentative step toward ending the hostilities that have torn the region for decades and prevented neighboring Namibia (South-West Africa) from becoming independent, there were hopes last week that this time peace might really be attainable.

Starting immediately, Botha announced in Cape Town at the opening of the session of Parliament, South Africa was disengaging its forces from Angola. The statement was itself a good sign; in the past, South Africa has always denied that it even had a military presence in Angola. Botha went on to say that he hoped the gesture would lead to an end of the bush war that has raged and sputtered for 17 years between South African troops and guerrillas of the South-West Africa People's Organization (SWAPO), which is recognized by the United Nations as the official representative of Namibia.

Botha's decision was made more dramatic by the fact that his government had just completed what it called a victorious five-week invasion of Angola in pursuit of SWAPO forces. But the costs of the military campaign, as well as of South Africa's continued occupation of Namibia in defiance of the U.N., had simply become too high, he explained. The tab this year: \$1.5 billion, nearly 10% of South Africa's annual budget. Said Botha: "South Africa is no longer prepared to shoulder the tremendous financial burden of South-West Africa alone." Human costs were high as well. Twenty-one soldiers were killed in the latest incursion, the highest toll for a single South African military maneuver since 1976. The Johannesburg *Sunday Express* offered a national prayer: "Lord,

spare us from victory. The year has begun with another victory in a war we are destined to lose."

Botha's disengagement pleased the Reagan Administration, which has been working to effect an overall settlement in the area that would eventually lead to the removal from Angola of Cuba's 26,000 troops and advisers. In recent weeks, U.S. officials have engaged in talks with representatives of both Angola and South Africa in the Cape Verde Islands. Assistant Secretary of State for African Affairs Chester Crocker visited Cape Town two weeks ago for talks with Prime Minister Botha and his Foreign Minister, Roelof ("Pik") Botha. The Prime Minister told Parliament that the government's decision to disengage was based, at least partly, on "assurances" received from the U.S. Just what those assurances were is unclear, but presumably Angola promised Washington that it would attempt to restrain the SWAPO guerrillas during the disengagement period.

Botha declared that a Cuban withdrawal was "far in the future." But Angola is in serious economic straits and may be as eager to end the conflict as is South Africa. What the U.S. hopes for, as a senior American diplomat put it, is a "sea change" of attitude in the region. "It is people's behavior that will count."

Now that South Africa has made its move, U.S. officials hope that a trial cease-fire of 30 days can be prolonged. For that to happen, there would have to be cooperative understanding among all parties. At present, no one can be sure whether Botha's withdrawal is a first step toward peace, or the only one. ■



Botha, right, and Crocker meet in Cape Town to discuss settlement for Namibia

World

BRITAIN

The New Danube Waltz

Thatcher puts her best foot forward to improve East-West ties

It was the first time a British Prime Minister had ever visited Hungary, and Margaret Thatcher was determined to make the most of it. Wearing a sable hat and her warmest smile, she set out to thaw the relationship between Britain and the Communist bloc that she had helped to freeze. She called her two-day visit to wintry Budapest last week "the first step of quite a long journey" toward the goal of linking East and West.

Was this the "Iron Lady"—so christened by Leonid Brezhnev—who used to rival her good friend Ronald Reagan in

pop's health were further reasons for her "deep concerns about relations between East and West," she observed. After four years devoted almost entirely to domestic and economic matters, Thatcher, who has been in office longer than any other leader of a major nation in Western Europe, sees herself as the person best equipped to serve as a link between Moscow and Washington. "I believe passionately that we share the same planet with other people who have different systems," she said before her departure for Budapest. "We really should try to cooperate



Margaret Thatcher lays a wreath at the Heroes' Monument in Budapest

"We must not become prisoners of events, but wrestle with the world as it is."

anti-Soviet sentiments and rhetoric? Only four months ago, while on a visit to Washington, Thatcher had delivered some of her harshest invective ever against the U.S.S.R., accusing Moscow of conducting "a modern version of the early tyrannies of history." Yet things soon changed. Reagan's invasion, against Thatcher's advice, of the former British colony of Grenada and his heavy counterattacks in Lebanon prompted the British Prime Minister's decision to put more distance between herself and the U.S. President. As early as last summer, Thatcher's aides now admit, she had begun to reconsider her stance on dealing with the Soviets.

Thatcher's decision was reinforced by growing European concern about the cold war attitude emanating from Washington and the concurrent rise of the peace movement at home. She saw public opinion changing over the past year as a result of U.S. missile deployment in Western Europe, the breakdown in U.S.-Soviet arms talks, skepticism over American policies in Central America and Lebanon, and the U.S. move into Grenada. The U.S. presidential election and uncertainty about Soviet Leader Yuri Andro-

in the interests of both our peoples." Associates acknowledge that she is realistic about any role she might play; she knows the real dialogue has to be between the two superpowers. "But we can help," she says. "Or at least not hinder." Her efforts to ease tensions may eventually lead her to Moscow, she observed last week, but only if the groundwork is well prepared.

As the least orthodox member of the East bloc, Hungary was the natural starting point for Thatcher's diplomatic opening. From the moment her Royal Air Force VC-10 touched down in Budapest, the Prime Minister sought to find and build on shared moments in history to strengthen the connections between the two countries. At a gala banquet in her honor, she noted that the Magna Carta of 1215 had been an influence on the Golden Bull, a similar document drawn up by a King of Hungary seven years later. She also noted that the bridge across the Danube near the Országház (parliament) was a copy of the Hammersmith Bridge over the Thames. (The Hungarian parliament, in fact, is an architectural cousin of Westminster.) In her own bridge-building exercise, Thatcher declared, "We must not

allow ourselves to be prisoners of events, still less to be deflected by plausible half-truths or empty panaceas. We must wrestle with the world as it is."

The centerpiece of Thatcher's visit was a two-hour talk with Hungary's durable and popular leader, Communist Party First Secretary János Kádár, who has ruled the country since the 1956 revolution. The jovial Kádár, 71, arrived early for their meeting, along with ample supplies of roses, cigarettes and mineral water. He later confessed to Thatcher that he had been concerned that her plane might not be able to land because of Budapest's "London fog." Then the small talk gave way to more serious matters: East-West relations, disarmament, the possibility of increased trade between the two countries. Kádár's experiments with free enterprise within a state socialist economy.

Noting that "uncertainty is dangerous and you really just have to start to talk," Thatcher made her pitch to influential Hungarians both in and out of government in a series of informal meetings. Said one guest after listening to a 20-minute Thatcher homily on the improving British economy: "I almost became a capitalist."

The Prime Minister may have wished that she were receiving so warm a reaction back home. There, despite a comfortable 144-vote majority in Parliament, Thatcher has encountered an unaccountably bumpy stretch. Her Labor foes in the House of Commons have sharpened their claws under their new leader, Neil Kinnock, and Thatcher's Tory backbenchers have risen up in mini-rebellions. The government's recent decision to ban union members from employment at the super-secret Government Communications Headquarters in Cheltenham, because of the fear of work stoppages that could affect security, was vigorously attacked. Not only Labor and the unions but civil libertarians and many other Britons expressed opposition to the policy as fundamentally unfair. Thatcher has also been subjected to hostile grilling in the Commons about the business dealings of her son Mark, 30. He is consultant to a construction firm that was awarded a \$420 million contract in Oman shortly after Thatcher visited the sultanate. She has angrily denied any impropriety.

These difficulties aside, Thatcher does not seem to have any real political worries. She can point to an approval rating of 49% and a new sense of confidence supporting the upturn in the economy. In the meantime, attempting an opening to the East hardly seemed a bad idea, although it is still uncertain as a long-range tactic. "While I'm known as the Iron Lady," Thatcher declared before leaving Budapest, "I also have a firm resolve to work on easing of tensions."

—By Marguerite Johsson.
Reported by Bonnie Angelo/Budapest

THE ALLIANCE

Verbal Volleys

Growing across the Atlantic

From Paris to Bonn, from London to Rome, the reaction was immediate: a touch of pique, a dash of perplexity and a pinch of barely controlled anger. "It doesn't help us achieve a clearer understanding of each other's problems, does it?" asked a British official. A diplomat in Bonn called it "unfortunate, ill timed and wrong." Said an Italian official: "We were rather surprised. We would like to react, but it is wiser that we don't."

The restraint was admirably diplomatic, considering the provocation. The day before, U.S. Under Secretary for Political Affairs Lawrence Eagleburger had denounced Western Europe for its selfish



neglect of the Atlantic Alliance. As he told a foreign policy conference in Washington, "We have seen a more and more inner-directed Western Europe, more and more concerned with its own problems, more and more concerned with its economic difficulties, less and less in tune with the U.S. It is ever more difficult to get Western Europe to look outside its own borders." He described Western Europe's attitude as "almost a contemplation of the nave."

Eagleburger argued that an inward-looking Western Europe is a beneficiary of détente with the Soviet Union, but that the U.S., with its global security and balance-of-power concerns, views détente as a failure. The U.S. and its allies, he said, "have tended, to some degree imperceptibly, to move farther and farther apart." As a result, he predicted "a shift in the center of gravity of U.S. foreign policy" away from the Atlantic relationship and toward the Pacific, especially Japan.

Despite Western Europe's strong reaction to the accusations, there is little new in them. Former Secretary of State Henry Kissinger, in recognizing 1973 as the "year of Europe" for U.S. policy, expressed similar anxieties about an increasingly neutralist Western Europe. Eagleburger has long shared his onetime mentor's views, and has been restating them privately in recent months. His reasons for speaking out now, at a moment of relative quiet in transatlantic relations, may be as much personal as

diplomatic. The Under Secretary, at 53, is widely believed to be planning to leave Government service, and may simply want to state his views clearly in his last months on the job.

Whatever the reasons, West European officials were quick to deny Eagleburger's allegations. "How can anyone in Washington charge Europe with ignoring American interests," asked a British official, "when we British, the Germans and Italians have just deployed U.S. medium-range missiles in the face of much domestic opposition?" The Paris daily *Le Monde* noted that French, British and Italian troops are serving beside U.S. Marines in Beirut. Not to mention, said Bonn officials, the broad allied support for U.S. policy in southern Africa and Central America. Eagleburger, however, is not finished. He is preparing to give a major speech on the subject in March. ■

WEST GERMANY

Operetta Finale

Kohl settles the Kiessling case

Ever since West German Defense Minister Manfred Wörner announced last month that General Günter Kiessling, 58, had been dismissed from the Bundeswehr because of charges of homosexual activity, the case against the four-star general had been crumbling away like stale cake. Initially, Wörner grandly asserted that Kiessling had been mixing with "criminal elements" at seedy gay bars in Cologne for more than a decade and that this had left him open to blackmail. Kiessling, a bachelor, stoutly denied that he was homosexual or that he had ever visited the bars in question. Gradually, government investigators began to believe him.

First Cologne police found a civilian who closely resembled the general and who had often been seen at gay bars. Then Wörner admitted that his decision to retire Kiessling had been influenced by "personal differences" between Kiessling, a Deputy Commander of NATO, and the organization's Supreme Commander, U.S. General Bernard Rogers. Desperate to bolster his case, Wörner invited to Bonn a Swiss homosexual actor who claimed to have evidence of misconduct by Kiessling. The "evidence" was unconvincing. Moreover, the Defense Minister's methods of supporting his accusations seemed both unsavory and absurd. There were rumors that he would have to resign.

By that time, the matter had become a farce to the public and a serious and dangerous embarrassment to Chancellor Helmut Kohl. He was already beset by an array of domestic political problems concerning West German relations with the Soviet Union, the continuing deployment of U.S. missiles and the revival of his country's sputtering economy. He did not need the Kiessling-Wörner controversy, which one politician described as "worse than an operetta." Returning from an eight-day trip to the Middle East last week, Kohl sought to bring down the curtain by announcing that Wörner would stay on as Defense Minister and that Kiessling would be returned to active duty. In a letter of apology to the general, Wörner wrote, "There is no longer any reason to assume that you constituted a security risk."

Like most of his countrymen, Kohl was relieved to have the matter settled, though his prestige had suffered somewhat from his Defense Minister's ineptitude. As for Kiessling, he declared, "My honor has been restored for all to see." He added, however, that he did not have the "inward and outward strength" to resume his NATO post and instead would retire from the army next month. ■



Wörner

Seeing Red

An Ambassador blunders

More made-in-America tough talk was exported last week as U.S. Ambassador to France Evan Galbraith committed *la gaffe* on French radio. In a 75-minute interview, the conservative diplomat's unobscure views on French Communism provoked rapid-fire and sometimes childish questions from French journalists. Galbraith responded in kind. When asked for his opinion of prominent Communists, including Transport Minister Charles Fiterman, the Ambassador candidly responded that a Communist is "a poor Frenchman who went wrong." *Ei alors*: "Everyone knows very well that the French Communist Party has a special relationship with the Soviet world."

Horried either by the obvious or by Galbraith, the French press and Communist Party blasted the Ambassador, who then spent much of the week trying to clarify his remarks. Premier Pierre Mauroy summoned Galbraith to his office "to signify the unacceptable character" of the Ambassador's remarks. Galbraith emerged looking circumspect but not defeated or contrite. By agreeing to meet with Mauroy, he inadvertently delayed the signing of a new Franco-Soviet economic cooperation agreement by several days. *Touche*. ■



PLAYERS GO PLACES

Low Tar Players.

Regular and Menthol
Kings and 100's

Kings: 12 mg "tar," 1.0 mg nicotine—100's: 14 mg "tar,"
1.1 mg nicotine av. per cigarette, by FTC method.

Warning: The Surgeon General Has Determined
That Cigarette Smoking Is Dangerous to Your Health.



World

THE BAHAMAS

Pot Shots

Flap over a drug inquiry

Twice a day, the line forms outside a small white building in downtown Nassau. Holding umbrellas to shade themselves from the warm January sun, citizens chat about the proceedings they have been following. "You keep hearing rumors, so there must be something to it," says a middle-aged man. Volunteers a woman who sells straw hats at the open-air market: "Everything is true: the Prime Minister is through."

The focus of this interest is a Royal Commission investigating charges that top government officials in the Bahamas have been involved in drug trafficking and bribery. Prime Minister Lynden Pindling called for the three-man panel last September after an NBC broadcast alleged that a U.S. Justice Department report had linked Pindling and one of his ministers to \$100,000-a-month payments from drug traffickers. But any hope Pindling had that the inquiry would eliminate the rumors quickly backfired. At first testimony centered on lower-echelon civil servants: customs officials and police officers who were accused of accepting bribes for turning a blind eye to trafficking on the outer islands. But then witnesses began taking

pot shots at the ruling Progressive Liberal Party, government ministers and finally Pindling himself.

Most of the evidence against the Prime Minister and Cabinet is circumstantial and difficult to prove. So far, the only documented charge is that Minister of Agriculture, Fisheries and Local Government George Smith accepted a \$26,000 BMW sedan from a professed drug smuggler. But even in the absence of further proof, the commission's revelations have generated public resentment against Pindling's self-assured, 17-year rule.

The investigation has underscored the concern of many Bahamians about what the flourishing drug trade has done to their 700-island archipelago. For years the Bahamas have been a haven for arms and liquor smuggling. Then in the 1970s the transshipment of marijuana and cocaine from Colombia and other South American countries to the U.S. became a thriving business. Some Bahamians amassed fortunes by providing landing strips, storage depots and distribution channels to drug traffickers. Inevitably, violence followed, and by the early 1980s drug abuse among local residents had become a serious problem.



Prime Minister Pindling

Because the islands are so close to the U.S. (the nearest is only 50 miles from the coast of Florida), American officials link the U.S. drug problem to the Bahamian traffic. The U.S. has offered Pindling equipment and expertise to destroy airstrips on uninhabited islands where light planes transporting drugs can easily refuel. But Pindling has refused the aid, calling it "inadequate and insufficient." Former Assistant Police Commissioner Paul Thompson

told the commission he was "gravely concerned about whether the police administration was really concerned about eradicating drug trafficking." Bahamian Attorney General Paul Adderly adds that both the U.S. Justice Department and the State Department have refused to provide evidence to the Royal Commission.

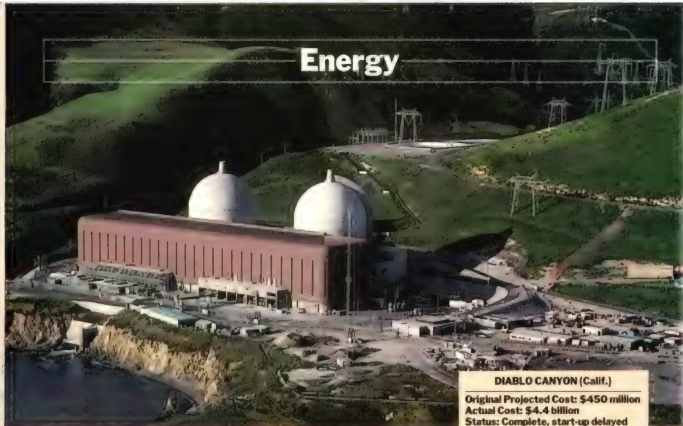
When the commission's findings are released in the spring, it will be up to Adderly to decide whether criminal charges should be pressed, and against whom. Pindling may not wait that long. It is widely expected that he will try to bolster confidence in his government by calling for general elections. If he loses, his tenure will end in an ironic twist: he came to power in 1967 amid a corruption scandal that implicated members of the previous administration. ■

Arms and Legs

Tens of thousands of Filipinos wildly cheered and showered confetti on some 2,500 joggers as they arrived in Manila last week. The joggers, led by Agapito Aquino, 45, younger brother of murdered Opposition Leader Benigno Aquino Jr., had set out five days earlier on a 90-mile protest run from Aquino's birthplace in the town of Concepcion in Tarlac province to the tarmac at Manila International Airport, where Aquino was assassinated last August. They were protesting a referendum called by President Ferdinand Marcos for Jan. 27 to ratify a constitutional amendment on the presidential succession. Along the way, military police intercepted and harassed the joggers, drawing wide attention to the marathon. The protesters were forced to camp outside the Philippines capital for three days. By the time they resumed the run, the referendum was over, but the publicity given their detention prompted an emotional outpouring of support. A throng of 25,000 people turned out for an antigovernment rally. Aquino halted the run for a four-day rest, but vowed that he would carry a lighted torch all the way to the tarmac where his brother died.



Energy



DIABLO CANYON (Calif.)

Original Projected Cost: \$450 million
Actual Cost: \$4.4 billion
Status: Complete, start-up delayed

COVER STORIES

Pulling the Nuclear Plug

A chain reaction of setbacks hits the industry, but the need for power remains



It began with such promise. The scientists and engineers who had shown the terrible destructive power of the atom at Hiroshima and Nagasaki were going to harness its tremendous force in an atom-for-peace program. They would build nuclear power plants producing electricity so easily that it would be "too cheap to meter." At a time when technology promised an almost boundless potential for improving humankind, nuclear power seemed so modern.

But today the concrete cooling towers standing in open fields or alongside rivers appear to many as monuments to a god that failed. Much of the public fears that nuclear plants are sending out mysterious and unseen radiation that will maim generations to come, or may somehow explode. Instead of providing low-cost energy, many of the plants are managerial and financial disasters that have produced higher electric bills. Moreover, a new generation accustomed to seeing the dark side of technology sometimes views nuclear power as the future that did not work.

Opponents and critics of nuclear power are ready to write its obituary. But they

are likely to be disappointed. Reports of the industry's death are premature. This year the U.S. will get 13% of its electricity from the atom; by the mid-1990s, according to some estimates, that figure will have risen to about 20%, and nuclear power will be the nation's most important source of electricity after coal.

Nevertheless, the nuclear industry is not well. Like a patient with a chronic disease, it has been ailing for more than a decade. It has been suffering seriously for nearly five years, ever since a 1979 accident turned the nuclear plant at Three Mile Island, Pa., into a focal point for public fears and protests. Now a series of reversals has worsened nuclear power's condition still further.

The first of the new setbacks occurred last July when the Washington Public Power Supply System, or WPPSS (more widely known by the satiric sobriquet of "Whoops?"), defaulted on \$2.25 billion worth of bonds. The consortium of 23 electric companies, which had postponed or canceled construction of four of its five proposed nuclear power plants, had sold the securities to help finance two of the facilities. The WPPSS default, the biggest

municipal bond failure in history, shook financial markets and raised questions about the ability of utilities to manage nuclear plant construction.

The industry might have recovered from the WPPSS debacle, but in recent weeks it has suffered a series of other reversals. In mid-January the federal Nuclear Regulatory Commission denied Illinois' giant Commonwealth Edison a license to operate its new Byron plant, which was nearly completed and had cost \$3.7 billion. Reason: the NRC said it had "no confidence" in the quality-control procedures for some of the construction. Three days later, Public Service Co. of Indiana announced that it was canceling all further work on its 2,260-megawatt (MW) Marble Hill plant, half completed at a cost of some \$2.5 billion. The loss has put a severe strain on the company's finances. The utility said last week that it would eliminate 100 jobs over the next month. In addition, 573 of the utility's remaining 4,000 workers will go on a four-day week.

A third blow fell when Cincinnati Gas & Electric and two partner companies announced that they were halting further nuclear construction on their long-trou-



SHOREHAM (N.Y.)

Original Projected Cost: \$241 million

Actual Cost: \$4 billion

Status: Nine years behind schedule

bled William H. Zimmer plant at Moscow, Ohio. They plan to convert the 810-MW facility, 97% finished at a cost of \$1.7 billion, into a coal-burning installation. A fourth shock to the gasping industry came when a Pennsylvania public utilities commission led overextended Philadelphia Electric to halt construction for 18 months on one of its two Limerick reactors, where \$3 billion has already been spent.

The nuclear power industry had anxiously been watching as economic recovery slowly nudged upward the demand for electricity. Now, utility executives concede, the industry will do well just to hold its own. No one expects U.S. utilities to shut down any of the 82 nuclear plants currently in operation, but no one is betting against cancellation of some of the 48 plants in various stages of construction around the country. The utilities have not placed an order for a new nuclear plant since 1978, and they are unlikely to do so in the near future. Says Robert Scherer, chairman of Georgia Power and head of the U.S. Committee for Energy Awareness, a pro-nuclear group: "No utility executive in the country would consider ordering one today—unless he wanted to be certified or committed."

The U.S. nuclear power program did not reach its present condition suddenly. The illness appears to have been congenital and may have been caused, at least in part, by the great expectations that greeted its birth. James Newman, a congressional counsel who helped draft the Atomic Energy Act of 1946, said: "This new force

offers enormous possibilities for improving public welfare, for revamping our industrial methods and for increasing the standard of living." Proclaimed David Deitz, Pulitzer-prizewinning journalist and author of the 1945 book *Atomic Energy in the Coming Era*: "The day is gone when nations will fight for oil." Before the U.S. had time to consider fully the potential problems involved with the new form of energy, the nation leaped into the nuclear age.

The industry started off small: in 1957 the Government beached a submarine reactor at Shippingport, Pa., and converted it into a power station with an output of 60 MW. The earliest American nuclear facilities were built by private companies, such as General Electric and Westinghouse, as loss leaders to convince utilities that atomic power was the future. They needed little convincing. By the end of 1967 the U.S. had 28 times as much nuclear capacity on order as it did in operation. The capacity of plants under construction increased from 300 MW in 1962 to 700 MW in 1965 and 1,150 MW in 1972. "It is clear," said NRC Commissioner Victor Gilinsky, a frequent critic of the industry, "that we got ahead of ourselves in expanding and scaling up the applications of nuclear power as fast as we did."

It soon became obvious that building the plants was a more complicated task than the prophets of nuclear power had thought. Many units were plagued by

problems, thereby raising fears about the plants' safety. A 1975 accident at the Browns Ferry nuclear reactor in Alabama intensified these concerns by showing how human and mechanical error could combine to create a potentially serious situation. In that accident, a worker using a candle to search for air leaks managed to start a fire in the plant's electrical wiring. This knocked out five emergency core-cooling systems and briefly reduced the plant's protection against a meltdown, which can theoretically occur if the core overheats and its molten uranium fuel drops through the bottom of the reactor.

The Browns Ferry accident fed a growing antinuclear movement. It included environmentalists such as the Sierra Club, Friends of the Earth and Citizens Against Nuclear Power, a handful of doctors and several scientists, as well as movie stars like Jane Fonda and other celebrities. The coalition of opposition battled nuclear power on several fronts, demonstrating at plant gates and marching in the streets of Washington. One of the opponents' most effective weapons was forcing the projects into legal battles that delayed programs and increased construction costs.

The event that really pushed the antinuclear movement and rocked the industry occurred early in the morning of March 28, 1979. Several water pumps stopped working at Metropolitan Edison's Unit 2 at Three Mile Island, a station southeast of Harrisburg, Pa. If everything had been handled properly, the event might have resulted in nothing

Energy



A parade of demonstrators rallying against the construction of Long Island's Shoreham plant

more than a brief shutdown for the year-old plant. But a series of operator errors compounded the machinery's malfunctions. Within a matter of hours, the reactor's radioactive core had become temporarily uncovered, and the reactor had come closer to a meltdown than anyone knew—or at least admitted—at the time.

Coming only two weeks after the release of the film *The China Syndrome*, which depicted safety problems in the nuclear industry, the T.M.I. accident sent residents of the area fleeing for safety. Pennsylvania Governor Richard Thornburgh was forced to consider ordering a total evacuation of the region. The accident also caught both the in-

dustry and the NRC unprepared. No one knew exactly how to solve the problem. "What shook the public the most," said Gilinsky, "was seeing the men in the white lab coats standing around and scratching their heads because they didn't know what to do. The result was that accidents were taken seriously in a way they never had been before." T.M.I. 2 may not actually have suffered a meltdown, as industry spokesmen were quick to maintain, but the credibility of the industry and the NRC suffered.

The T.M.I. accident led to a lengthy investigation and an NRC list of some 6,000 steps that utilities had to take in order to improve the safety of their plants.

The expensive reforms involved operator training, the development of evacuation plans and the addition of a great deal of hardware. The safety search continues. Late last week, after workers discovered a large crack in a steam pipe at Georgia Power Co.'s twin-reactor Hatch plant at Baxley, the NRC ordered owners of five similar plants in the U.S. to search for possible cracks; all the reactors were temporarily closed.

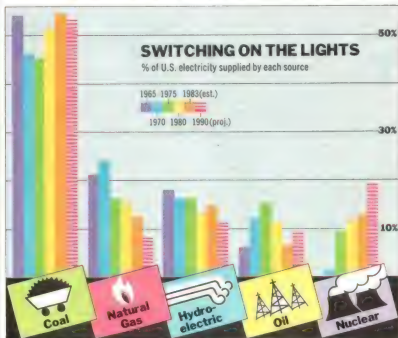
T.M.I. produced a much tougher attitude toward operators who broke safety rules. Until then federal law limited the fines that the NRC could impose to \$25,000 for each violation. Soon after T.M.I., Congress removed that lid, and since then the NRC has been handing out higher and higher fines. Last February electric circuit breakers at the Salem plant of New Jersey's Public Service Electric & Gas twice failed to function properly, preventing an automatic emergency shutdown of the reactor. In May the NRC levied a fine of \$850,000, the biggest in its history, against PSE&G for attempting to restart the plant without recognizing that anything was wrong.

Applying the lessons of T.M.I. has cost the nuclear power industry billions of dollars and significantly slowed its expansion. New safety equipment has added millions to the cost of both existing reactors and those under construction. Changes in the licensing process and opposition from environmentalists have stretched out the time it takes for plant approval and construction from seven years in the early 1960s to as long as 14 years now.

It would be unfair and unrealistic, however, to blame all of the industry's problems on the accident and its aftermath. The industry's ailments are due to a whole congeries of factors. One of the most important was the twin oil shocks that hit the world during the 1970s. The first occurred in 1973-74, when the Organization of Petroleum Exporting Countries raised the price of oil from about \$2.50 to more than \$11 per bbl. Then Arab members of OPEC cut off oil exports to the U.S. The steps triggered long lines at gas stations and led the U.S. to look for a quick technological fix for its fuel problems. Nuclear power seemed like just the answer to some, and President Richard Nixon launched his much ballyhooed "Project Independence." It set the goal of obtaining half of American electricity from nuclear power by the year 2000.

The objective made good sense at the time. Demand for electricity had been rising steadily, increasing an average of 7% a year for more than a decade. In some parts of the Sunbelt, demand was doubling every seven years, practically overnight in an industry that normally plans on a 15-to-20-year schedule.

The world of energy economics, though, was about to change. After the second oil shock, in 1979, which followed



the overthrow of Iran's Shah, the price of OPEC crude reached as high as \$40 per bbl. Energy consumers reacted to the staggering prices by conserving fuel in a way that had never been imagined. Demand for electricity increased by only 1.7% in 1980 and .3% in 1981 and actually shrank 2.3% in 1982. That was the first decline in power use since the end of World War II.

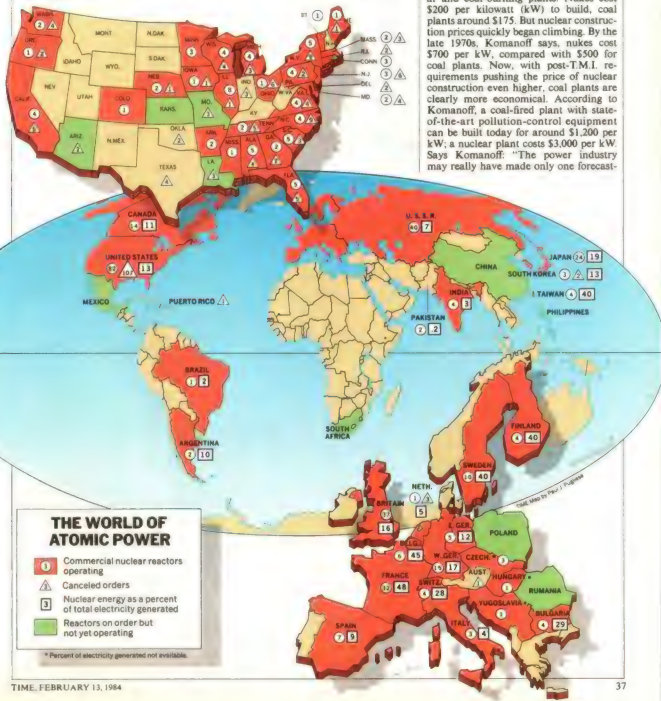
The lower energy consumption placed the power industry in an awkward position: the supply of electricity far exceeded the demand. American utilities now have

about 30% more generating capacity than they need, far more than the 20% to 25% generally considered sufficient to meet unusual weather-caused emergencies or to assist neighboring utility companies.

In response to the lower energy demand, some utility companies slowed or halted construction of new plants, whether coal or nuclear. Indeed, more plants—18—were canceled in 1982 than in any other year since the U.S. first went nuclear. Encouraged by the strongly pro-nuclear Reagan Administration, other utilities ignored the omens and pressed on

with plans to expand their generating capacity in expectation that demand would soon come back. Still others kept building nuclear plants on the ground that it was often more economical to complete the multibillion-dollar projects than to abandon them.

That assumption sometimes proved erroneous. Constructing nuclear plants has proved very expensive. In the early 1970s, says Charles Komanoff of the New York City-based consulting firm Komanoff Energy Associates, there was little difference in the construction costs of nuclear and coal-burning plants. Nukes cost \$200 per kilowatt (kW) to build, coal plants around \$175. But nuclear construction prices quickly began climbing. By the late 1970s, Komanoff says, nukes cost \$700 per kW, compared with \$500 for coal plants. Now, with post-T.M.I. requirements pushing the price of nuclear construction even higher, coal plants are clearly more economical. According to Komanoff, a coal-fired plant with state-of-the-art pollution-control equipment can be built today for around \$1,200 per kW; a nuclear plant costs \$3,000 per kW. Says Komanoff: "The power industry may really have made only one forecast



Energy

ing mistake, and that was that nuclear plants would become cheaper."

That one mistake would have been bad enough, but the industry also committed several others. The most obvious was poor management of plants under construction. Industry analysts agree that all too many nuclear projects have been badly conceived, poorly designed and inadequately controlled. Each U.S. nuclear plant is in effect a custom-made affair. The industry has failed to follow the lead of such countries as France and Canada, which have adopted standardized reactor designs. Such blueprints would allow modifications made on one plant to be copied at others in the series. Each American plant must now be checked out individually, and the lessons learned from operating one are difficult to apply to others.

The construction of facilities, which is

generally done by a veritable army of subcontractors under the direction of the utility, is often poorly supervised. The result of this laxness is work that can best be described as shoddy. Some of the earthquake supports for California's Diablo Canyon plant were installed backward, as was the reactor vessel at the San Onofre plant near San Diego. Reactor supports at Comanche Peak in Texas were installed 45° out of position. Pipes inside and outside the reactor building at Shoreham on Long Island, N.Y., failed to meet properly and had to be connected with elbow joints.

One reason the nuclear industry has been so prone to glitches is that it plunged into building atomic plants on a grand scale before it had enough experience and expertise. The danger of radiation release makes the precision required in putting

up a nuclear plant much greater than the accuracy needed in an ordinary coal-fired facility. "It's like building a giant Swiss watch," says David Freeman, a director of the Tennessee Valley Authority, which operates two atomic plants. Many nuclear construction crews tried to build these Swiss watches with little more than the skills needed to hammer together a coal burner.

Delays and repairs have led to catastrophic cost overruns, which have plagued many plants completed in recent years as well as some of those currently under construction. Florida's new St. Lucie 2 facility, which was built and brought on line in six years for \$1.4 billion, about four times its original estimate of \$360 million, is considered an industry bargain. So is the Palo Verde complex, three 1,270-MW units 50 miles west of Phoenix. It is

No Dumping Permitted

Compared with coal burners, nuclear power plants generate little waste. A 1,000-MW coal-fired facility produces 30 lbs. of ash per sec., which comes to 423,040 tons a year, or enough to fill 2,568 trailer trucks. The waste from a nuclear plant of the same size would fit into a refrigerator.

But the contents of that refrigerator would be much more difficult to dispose of than all those ash-laden trucks. Coal ash is essentially inert and harmless. Used nuclear fuel rods, which are 12 ft. long and ½ in. in diameter and are fastened together in bundles reminiscent of the fasces carried by magisterial aides of ancient Rome, remain very dangerous. Contaminated by such fission products as strontium 90, cesium 137 and plutonium 239, they are not only physically hot (at several hundred degrees), but will remain radioactive for thousands of years.

How then can any nuclear nation get rid of the rods? U.S. nuclear plants have temporarily been storing their freshly removed fuel rods in on-site "swimming pools." But 27 years after the first commercial reactor went on line in Shippingport, Pa., no permanent disposal system has been adopted. The pools at America's older reactors are getting crowded, and plant owners as well as the public are becoming worried. Concedes Carl Walske, president of the Atomic Industrial Forum: "The public's chief concern about nuclear energy revolves around the waste problem."

That problem is not insoluble, at least in theory. Scientists agree that the nuclear waste at U.S. reactor sites could be vitrified, or sealed in 11-in.-thick glass and permanently buried in underground caverns or salt formations. The volume of such wastes could be even further reduced if the U.S. began recycling fuel; 97% of some fissionable materials can be reclaimed.

But the theory has yet to be put into practice. Although the U.S. has three sites—Hanford, Wash., Beatty, Nev., and Barnwell, S.C.—for the disposal of such low-level wastes as contaminated clothing and the radioactive materials used by hospitals, it does not have a permanent repository capable of handling spent fuel rods. Attempts to create such a facility at Hanford were halted when the Nuclear Regulatory Commission, the U.S. Geological Survey, the State of Washington and the Yakima Indians all joined together to object because of uncertainties about underground water movement.

Nonetheless, the search for a site is proceeding. In 1982 Congress passed the Nuclear Waste Policy Act, which charged the Department of Energy with setting up not one but two nuclear waste dumps. DOE must recommend three sites to the President by the beginning of 1985, and by law he must select one of those by early 1987. Government geologists have narrowed their choices to nine locations in six states: Washington, Nevada, Utah, Texas, Mississippi and Louisiana. Waste-producing nuclear power companies, which pay a levy of 1 mill per kilowatt-hour of generated electricity, contribute some \$40 million a month to support the program.

Like just about everything else in the nuclear power industry, however, the waste program is behind schedule. DOE says it will be at least three years late in meeting

the congressional deadline for recommendations to the President, which means it could be 1990 before the White House can decide. Moreover, presidential action is unlikely to end America's search for a place to put its atomic waste. The Nuclear Waste Power Act gives states the right to veto any federal site selection, and some will undoubtedly exercise that option, though both houses of Congress may overturn a veto. While everyone believes that the U.S. must have a nuclear waste repository, no one wants it in his backyard.



Low-level wastes piling up at Washington's Hanford disposal site

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I'll have a Heineken...
Special Dark."

looked upon as a success by current nuclear industry standards because the expected final cost of some \$6 billion is only about double the original estimate of \$2.8 billion. A study released in January by the Energy Information Administration, a division of the Department of Energy, showed that 36 of the 47 nuclear plants surveyed cost at least twice as much as initially projected, while 13 of them were four times higher.

Among the most expensive of these nuclear white elephants:

SHOREHAM. Overlooking the sound on the North Shore of New York's Long Island, this 1,100-MW plant was supposed to cost \$241 million when it was started in 1965 and was expected to go on line in 1975. Now nearly a decade behind schedule, the plant will cost at least \$4 billion, or 15 times the original estimate, and could run the Long Island Lighting Co. (Lilco) even more before it produces any electricity. The utility last year had a continuing battle with Suffolk County officials over the approval of evacuation plans in case of an accident. The emergency procedures were finally approved, but now the plant's diesel generators have been found to be defective and may have to be replaced. The utility's chairman, Charles Pierce, resigned suddenly last week. He gave no reason, but the company's board was reported to be unhappy with his handling of the problems at Shoreham.

SEABROOK. Besieged by members of the Clamshell Alliance and other environmentalists, the two-reactor Seabrook plant was begun by Public Service Co. of New Hampshire in 1976 and was slated to

MARBLE HILL (Ind.)

Original Projected Cost: \$1.4 billion
Actual Cost: \$7 billion
Status: Half-completed, abandoned



MIDLAND (Mich.)

Original Projected Cost: \$267 million
Actual Cost: \$4.4 billion
Status: Nine years behind schedule

cost \$973 million. Unit 1, which stands near the coast, may be ready in July 1985, but the company is making no predictions as to when—or whether—Unit 2 will be completed. The utility is currently revising both its construction schedule and the cost projections for the whole project. The most recent estimate: \$5.8 billion.

MIDLAND. Conceived as a cooperative venture that would supply Michigan's Consumers Power Co. with electricity and a neighboring Dow Chemical plant with steam, the two-unit, 1,300-MW project on Michigan's Tittabawassee River was launched in 1969. It then carried a \$267 million price tag. The problem-plagued development is currently nine years behind schedule and egregiously over budget. Company officials say that construction, now 85% complete, has already cost \$3.4 billion.

The impact of such overruns on the companies involved is enormous. Lilco, which concedes that it now has a cash-flow problem, is paying more than \$1 million a day in interest on its Shoreham loans and losing \$1.5 million for each day that start-up is delayed. New York Governor Mario Cuomo said last week that he doubted Shoreham would ever begin operating and that he saw no reason why the state should bail Lilco out of its losses. "Let them take a bath," he said. "They're a private corporation." Consumers Power Co. is spending \$1 million a day in interest payments to keep its Midland project going. Consumers Power's long-term debt now exceeds the firm's shareholder equity by more than \$1 billion; Chairman John D. Selby has warned that if the twin reactors are not finished, the company, which has 1.3 million electric customers, could

be forced into bankruptcy proceedings.

The credit ratings for bonds issued by several utilities have been lowered. Moody's Investors Service dropped the ratings on bonds put out by Public Service Co. of Indiana from Baa2 to Ba2 after the company announced that it was abandoning the Marble Hill plant. Standard & Poor's has warned Illinois' Commonwealth Edison that its B1 rating of the utility's commercial paper was put on credit watch because of the NRC's denial of an operating license for the Byron units.

These actions hamper the companies' efforts to raise capital and keep their nuclear projects going. They also hit utility stockholders, who may see the value of their investments shrink. The price of Lilco's stock dropped last year from \$17 to \$10.13, costing the company's 181,127 stockholders an estimated \$70 million.

The ultimate victims may be consumers. Lilco customers, who already have the highest electricity bills in the U.S., can expect to pay up to 50% more to help cover the costs of building the Shoreham plant. Public Service Co. of New Hampshire is prevented by law from imposing the expense of construction work at Seabrook on the public until it is receiving power from the plant. If Seabrook 2 ever goes on line, the company will have to increase rates by 40% to 50% to recover its investment. Consumers may not even be spared from paying for abandoned nuclear operations. Companies like Public Service Co. of Indiana are seeking permission to pass part of their loss on to customers in the form of higher fees.

Many antinuclear activists see recent events as confirmation of all their dire predictions. "This is a failed technology," says Melody Moore, director of Chicago-based Citizens Against Nuclear Power. Even businessmen sympathetic to nuclear





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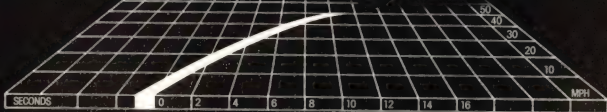
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energy as a source of electric power are pessimistic about its future. "Nuclear power is well into free fall. It's beyond recovery," says John Nichols, president of Illinois Tool Works, a diversified manufacturing firm.

Utility company executives are bitter about their present plight. Says Don Beeth, director of nuclear information at Houston Lighting & Power: "The first lesson we've learned is 'Don't build nuclear plants in America.' You subject yourself to financial risk and public abuse." William Dickhoner, president of Cincinnati Gas & Electric, sounds a similar note: "It's almost a punitive deal to open a nuclear plant these days."

A few utility executives question the future of nuclear power in the U.S. "Some days I think I may be building the last nuclear plant that's going to be built for a while," says R. E. Conway, the senior vice president of Georgia Power. "They are just too expensive for a company like us to construct any more." Georgia Power's Plant Vogtle, a two-unit facility now more than 50% complete, is expected to come on line at ten times its original price tag of \$660 million.

For many utilities, nuclear plants are far too costly. The huge, quasi-governmental Tennessee Valley Authority made a commitment in the 1960s to generate most of its electricity by nuclear power. Since August 1982 the giant utility has canceled four nuclear units and taken a \$1.8 billion loss. Now it is turning back to coal. "We recognized the situation we were in and took the most prudent action," says Hugh Parris, manager of power at TVA. "Some folks might look at abandoned nuclear plants as monuments to mistakes and stupidity. I look at them as monuments to good management."

Despite these myriad troubles, however, the majority of utility company executives feel the nuclear power industry will survive. Says Commonwealth Edison Chairman James O'Connor: "We have limited options in the ways we can produce electricity. It's important not to lose sight of the considerable role nuclear energy plays. Very little attention has been paid to the pluses, too much to the negative side of the industry. I would not over time write off the nuclear option." Many Government officials agree. Says Secretary of Energy Donald Hodel: "I think it will come back. I think eventually the U.S. will say we need a continuing nuclear component."

Edward Merrow, director of energy policy programs at the Rand Corp., believes nuclear energy is inevitable. "It is the only real energy alternative that appears viable," he says. "Coal is an alternative, but it is problematical, what with environmental difficulties and acid rain."

Merrow's point is well taken. American energy needs are bound to increase, even if slowly, particularly if the current economic recovery continues. Other sources of energy will simply not meet fu-

Memories of a Near Meltdown

Rising 372 ft. into the clear wintry air, the cooling towers of the Three Mile Island nuclear plant dominate the skyline just southeast of the Pennsylvania state capital at Harrisburg. Interstate motorists can spot them as they speed across the Susquehanna River on the Pennsylvania Turnpike; local drivers cannot help seeing them when they reach the top of a long hill on Route 283 and head southeast toward Swatara. Three Mile Island also dominates the thoughts of people who live in the area's small towns and rolling farm lands. "I can't look at those things without remembering what happened five years ago," says Joan Start, who fled with her two small children from Middletown, Pa., to Ohio when the plant came close to a meltdown in March 1979.

The accident was a financial and public relations disaster for Metropolitan Edison, the utility that operated Three Mile Island. In 1981 its corporate parent, New Jersey-based General Public Utilities (GPU), set up a new subsidiary, called GPU Nuclear Corp., to clean up the mess left by the accident and reassure the public that T.M.I. Unit 2 is safe.

The company is making progress at the first task but has been less successful with the second one.

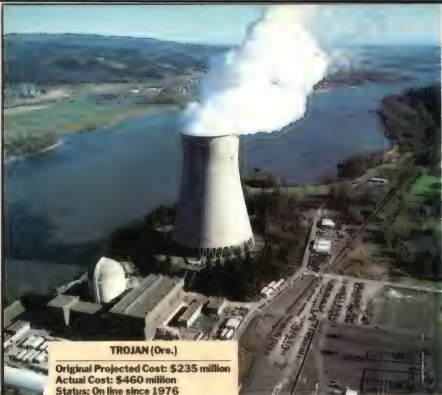
Last summer it decontaminated the last of the nearly 1 million gal. of radioactive water that had spilled into the plant's reactor and other buildings. The water was passed through filters to remove radioactive material, which was then loaded into stainless-steel casks and trucked away for testing at an Energy Department facility near Richland, Wash. In August, the company plans to lift the cover off the Unit 2 reactor and remove the destroyed core and the remaining fuel rods. Once it has done that, it will be able to complete the process of decontaminating the reactor building and either decommissioning the reactor or repairing it. The company admits that the cleanup, which is more than a year behind schedule, will cost over \$900 million, or nearly double the \$500 million that had initially been projected.



Scene of the nightmare: Three Mile Island

The campaign to win back official and public trust for Three Mile Island is even further behind schedule. Investigators for the Nuclear Regulatory Commission have raised questions about safety procedures being followed by some of the cleanup crews. A federal grand jury has charged Metropolitan Edison with criminal misconduct in connection with its operation of the plant in the months preceding the accident. Among other things, the company is accused of having manipulated and falsified tests relating to leaks and then concealing the problem from the NRC.

The indictments, allegations and public distrust have hindered GPU's efforts to restart T.M.I. Unit 1, which was shut down for routine refueling at the time of the accident at its sister nuclear reactor. The company has been trying for two years to get permission to restart the reactor, but has run into opposition from people living near the plant and from state officials. GPU claims it is crucial to its financial survival to get Unit 1 going again. The NRC presented the company with a list of some 60 questions about management and other procedures that it wanted answered before it would approve the start-up. Two weeks ago, the NRC took a step toward approval. It voted not to await the outcome of the criminal trial involving Metropolitan Edison before deciding whether or not Unit 1 can be put on line again. That decision may come as early as June. The president of GPU, Herman Dieckamp, welcomed the NRC's move, saying that his utility has "fully cooperated with all the investigations, and we think it is timely for the process to come to a conclusion." But some local residents differed. Said William O'Brien, who can see the plant's towers from his window: "The longer that plant stays shut, the safer I'll feel."



TROJAN (Ore.)

Original Projected Cost: \$235 million
Actual Cost: \$460 million
Status: On line since 1976

ture U.S. power demands. Oil is too valuable as an aircraft and automobile fuel and as a raw material for petrochemicals to be used to generate electric power. Only 6% of American electricity comes from oil-burning plants, and that figure is likely to shrink. Natural gas is better used as a heating fuel, and its share of electricity generation has gone down sharply in the past two decades.

Alternative energy sources are not ready to play a big role in electricity generation. Neither solar nor wind energy is sufficiently developed to produce large amounts of electric power. Solar panels are being more widely used on new homes, particularly in the Sunbelt. But even solar's most ardent backers do not argue that sun power can generate enough electricity to become a major energy factor. Windmills provide some supplemental power at experimental installations around the U.S., especially in California, but few utilities can rely on them because of problems with cost, reliability and durability. Nuclear fusion, in which light atoms of hydrogen, extractable from sea water, are fused to provide energy, is likely to remain an elusive dream for the remainder of the century. Scientists have yet to achieve a self-sustaining fusion reaction in the laboratory, much less design a commercial fusion reactor.

The U.S. could rely more on coal to meet its energy requirements, and the idea is appealing. The U.S. has abundant coal reserves—enough, according to some estimates, to last 200 years—and coal-burning plants can be built more quickly and cheaply than nuclear ones. But coal facilities pump thousands of tons of sulfur oxides and other pollutants into the air

each day. They are the prime cause of acid rain, which is slowly destroying some U.S. and Canadian lakes and may be damaging forest areas. Despite their lower construction costs, coal plants are no cheaper to run than nuclear ones. The Atomic Industrial Forum, which represents the nuclear industry, reported that nuclear-generated power actually under-sold coal-produced electricity, 3.1¢ per kilowatt-hour (kW-h) to 3.5¢ in 1982. Figures compiled by United Engineers and Constructors, an energy consulting group, showed that nuclear power cost 3.2¢ per kW-h, while coal was 3.19¢.

Contrary to a widespread impression, nuclear plants can be run well and economically. The 830-MW Maine Yankee Atomic Power plant in Wiscasset, Me., has operated reliably since it first went on line in 1972. The plant established a world record for performance by working 392 consecutive days without shutting down during 1977 and 1978 and was in service 79% of the time last year. Yankee Atomic Electric's plant in Rowe, Mass., has been producing 185 MW without an accident since it started up in 1961. The Trojan plant on the Oregon side of the Columbia River was completed in 1975 at a cost of just \$460 million. It provides some of the cheapest thermal energy in the U.S. (2.5¢ per kW) and has a good safety record.

Even the most ardent nuclear power advocates admit that the industry must change in order to survive and expand. The industry could help itself by developing standardized reactors and re-vamping management procedures so that construction could be handled by a

single experienced company rather than confederations of subcontractors. The industry must also be more sensitive to public concerns about safety and the disposal of nuclear wastes.

Regulatory reform is necessary to cut through the paperwork that can delay projects and increase construction costs. Says Cincinnati Gas & Electric's Dickhoner: "You can't build something when you have 285 regulatory changes while it's being built." Such reforms could help the nuclear industry without endangering public health.

Despite the fears about safety, the difficulties of disposing of waste materials and the outrageous construction-cost overruns, nuclear power is not finished. The atom will be part of America's and the world's energy future. "We'll all live to see the building of additional nuclear plants down the road," says W.S. White, chairman of Columbus & Southern Ohio Electric Co. The U.S. may never have to rely on nuclear power to provide most of its energy, but it does need reactors for a large portion of its electricity. American consumers want to continue flicking light switches and turning on appliances without worrying about where the power will come from. The American economy depends on an expanding supply of energy to continue growing. Moreover, the U.S. needs a secure, reliable energy supply that is not subject to disruption by political upheavals abroad. In short, the nation requires a mixture of energy sources to drive its economy in the future, and nuclear power should be part of that mix.

—By Peter Stoier, Reported by Jay Brannagan/Washington and J. Madolelino Nash/Chicago

YANKEE (Mass.)

Original Projected Cost: \$48 million
Actual Cost: \$44 million
Status: On line since 1961



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Box: 11 mg "tar," 0.8 mg nicotine av. per cigarette by FTC method

Energy

From Paris to Peking, Fission Is Still in Fashion

Despite the deepening troubles in the U.S., the rest of the world looks to the atom for fuel



The U.S. nuclear industry may be struggling, but the allure of the atom remains strong elsewhere in the world. For many advanced countries, nuclear power is a ticket to greater energy independence and national security. For developing countries, the sight of a mammoth reactor going up can also be a sign of industrial maturity and a source of national pride.

To be sure, nuclear power faces the same obstacles abroad that it does in the U.S.: surging costs, construction snafus, protests from environmental groups, public jitters about safety, and problems with waste disposal. Moreover, the world economy is only beginning to recover from a recession that slashed demand for electricity and thus reduced the immediate need for atomic power. As a result, many countries have postponed nuclear projects or stretched construction timetables.

But the atom is already a major force in world energy. Belgium generates 45% of its electric power from six nuclear reactors. Sweden, Taiwan and Finland rely on atomic energy for 40% of their electricity. Among the largest industrial nations, France is the nuclear leader. Its atomic plants produce 48% of the country's electricity, compared with 13% for the U.S. The French government hopes that by 1990, 70% of electric power will come from reactors. In Japan, where the atom generates 19% of the electricity, the target for 1990 is 27%.

Many nations that lack abundant coal, oil or hydroelectric power regard nuclear energy as a necessity. Despite its rising costs, atomic power is often a cheaper alternative to imported fuel. In Japan a kilowatt of nuclear energy costs 5.2¢, compared with 5.8¢ for the same amount of electricity generated by coal and 7.3¢ for power from oil.

Nuclear plants have an impressive worldwide safety record. Government inspections abroad are generally just as tough as in the U.S., and often tougher. Very few accidents like the near meltdown at Pennsylvania's Three Mile Island in 1979 have been reported anywhere else in the world, and no mishap has received comparable publicity.

The woes of the U.S. nuclear industry have not discouraged other countries from pursuing their plans for the atom. A survey of some major nuclear programs:

FRANCE. For its size, France has the most ambitious nuclear industry of any nation. It has 32 functioning reactors and is build-

ing 27 more. During the heyday of the French nuclear drive under President Valéry Giscard d'Estaing in the late 1970s, construction started on four or five reactors a year.

In the presidential campaign of 1981, François Mitterrand sharply criticized that pell-mell pace, partly because a sluggish economy had dampened demand for electricity. Since his victory, Mitterrand has slowed down the atomic program, al-



France's Dampierre plant: working to cut the use of costly oil

though he has approved plans to start two new nuclear plants this year.

Mitterrand is pressing ahead despite predictions that France may not need all the electricity that the nuclear reactors could generate. To spur demand for atomic power, the state-run electric company is offering low prices to businesses that switch from oil and gas heat to electricity. Currently, petroleum accounts for 46.5% of France's total energy consumption, and nuclear reactors supply 23%. According to government projections, by the year 2000, nuclear power will provide 30% of the country's energy, and petroleum only 27%.

Some time this year France will start up Super-Phénix, the world's first commercial breeder reactor. Using advanced nuclear technology, it will be able to produce 60 times as much energy from a given amount of uranium as the present generation of reactors.

WEST GERMANY. Nowhere has nuclear energy aroused more public opposition than in West Germany. For more than a decade, environmental groups like the radical Green Party have spearheaded huge antinuke rallies, protest marches and sit-ins. In March 1981, 80,000 demonstrators stormed a nuclear construction site north of Hamburg. Some tossed rocks and Molotov cocktails, and 15,000 helmeted police fought back with water cannons and tear gas.

Undeterred by such confrontations, Chancellor Helmut Kohl's government is pushing nuclear power as a way of cutting West Germany's dependence on imported fuel for 60% of its energy supplies. The country has 15 reactors in operation and twelve under construction. German nuclear plants are unusually well designed and efficient. Between 1975 and 1982 they operated at about 82% of their capacity, compared with an average of 64% in the U.S. The Bonn government predicts that atomic power will provide 17% of West Germany's total energy needs by 1995, up from 6% today.

BRITAIN. Nuclear power is a cornerstone of Prime Minister Margaret Thatcher's energy strategy. She is eager to stretch out Britain's North Sea oil reserves and reduce the clout of leftist-led coal miners' unions. Britain has 37 reactors on line and is building ten more. The portion of the nation's electricity generated by atom power is expected to rise from 16% at present to 20% by the end of the year.

So far, Britain has relied on domestically designed gas-cooled reactors. Experience has shown, however, that the British nuclear plants are 15% to 20% more expensive to operate than the so-called pressurized-water reactors (PWRs) used in most other countries. In 1982 the government's Central Electricity Generating Board decided that Britain should begin building PWRs based on designs developed by Westinghouse in the U.S. But plans to build the first PWR at Sizewell, a village near Britain's east coast, created a public furor. Protesters ranged from the National Union of Mineworkers and the Aldeburgh Fisherman's Guild to Friends of the Earth and the Council for the Protection of Rural England.

The Thatcher government has appointed a committee of inquiry, composed of technical experts, to hear evidence on whether the Sizewell PWR should be built. The committee is expected to finish its work some time next year. Its verdict,

which Thatcher will probably accept, could be a green light or a stop sign for nuclear energy in Britain.

JAPAN. In the only country ever attacked with nuclear weapons, much of the population is understandably nervous about atomic energy. Ever since the Japanese nuclear program got under way in 1966, small armies of protesters have clashed with riot police at reactor construction sites. Despite the controversies, the Japanese government considers nuclear energy crucial for a country that imports 99.8% of its oil and 83.4% of its coal.

Japan has 24 reactors in operation, 13 under construction and seven more planned. The Japanese can build a typical nuclear plant within seven years, while in the U.S. the time needed can be as much as 14 years. One reason for the difference: Japan's relatively simple, efficient legal system makes it hard for nuclear opponents to bottle up projects with court challenges.

The Japanese nuclear industry considers its business a crusade. Says Ikuo Kokubu, director of the Japan Atomic Industrial Forum: "Nuclear power is the only way we can assure our survival and prosperity into the 21st century."

SOVIET UNION. The U.S.S.R. has rich deposits of oil, gas and coal in Siberia, but it is expensive to transport those fuels to the more populated and industrialized western part of the country. The Kremlin is convinced that nuclear energy is the cheapest source of electric power for Soviet cities. Since the 1960s the Soviets have completed 40 reactors, which generate 6.5% of the country's electricity. The current five-year plan (1981-85) calls for the nuclear share of electric power production to rise to 12%, but the program is well behind schedule. To meet their goal, the Soviets would have to bring 15 plants on line in two years. Last year they finished only two facilities.

Bureaucratic bungling and shoddy



The Soviet Union's Smolensk station: a development drive plagued by bureaucratic bungling

construction have plagued the drive. For nine years, the Soviets have worked on a \$4 billion factory called Atomash in southern Russia. Still unfinished, the plant is supposed to produce eight atomic reactors a year. The official in charge of the construction, Gennadi Fomin, was dismissed last summer amid reports of defects and delays at Atomash.

Many less advanced nations are racing hard behind the nuclear front runners. South Korea has three reactors, which provide 13% of the country's electric power. The South Koreans are building six more nuclear plants, using technology from the U.S. and France. India has four nuclear plants in operation, one under construction and eight planned. Bombay already gets most of its electricity from a reactor at nearby Tarapur. U.S. companies helped India launch its program in the 1960s, but after the country exploded "a peaceful atomic device" in 1974, Washington sharply curtailed the flow of uranium and nuclear technology. Since then France has become the major West-

ern supplier to India's atomic program.

The financial crisis in Brazil, which is struggling with a \$93 billion foreign-debt load, has virtually stalled that country's plans to have eight nuclear power plants by the year 2000. The Brazilians have one commercial reactor, a Westinghouse model. A second one, built by West Germany's Kraftwerk, will not be finished until 1989. Argentina also has a staggering foreign debt (\$40 billion) that endangers its goal of completing seven nuclear power plants by the turn of the century. The two reactors now in operation generate nearly 10% of Argentina's electricity.

Several nations are poised to join the nuclear energy club. South Africa plans to bring its first atomic plant on line later this year. The reactor is expected to supply 10% of the country's electric power. The Philippines has nearly completed a nuclear station at Bataan that will be powered by a Westinghouse reactor. It should start generating next year and provide 16% of the nation's electricity.

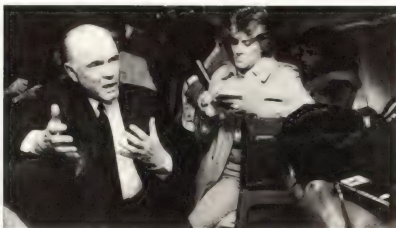
Though China has nuclear weapons, it has lagged badly in developing atomic energy. The country has no operational reactors, mainly because it refused for many years to import foreign technology. Now the Chinese are looking outward. They have started a joint venture with the government of Hong Kong to build two French-designed reactors by 1991 in Guangdong province. China has also signed a preliminary agreement with France to buy two more reactors. Executives from Westinghouse and General Electric have paid several visits to China in recent months, but deals must await the signing of a U.S.-China nuclear cooperation treaty, which may take place on President Reagan's visit to Peking in April.

With the nuclear programs of such populous giants as China and India largely undeveloped, the potential demand for reactors has barely been tapped. Until a much cheaper technology can be perfected, the boundless power of the atom is almost certain to be a key source of world energy. —By Charles P. Alexander. Reported by William Dowell/Paris and S. Chang/Tokyo



Brazil's Angra reactor: ambitious plans stalled by the country's \$93 billion foreign-debt load

Press



In "the steel cocoon": Glenn holds an impromptu news conference with his entourage

The View from the Bus

Life is hectic on a package tour with potential Presidents

The two dozen reporters who sat slumped in the lobby of the Ramada Inn in Keene, N.H., had been waiting for Walter Mondale for almost three hours when the announcement finally came that the bus was ready for boarding. They gathered their gear, slogged through ankle-deep slush, and were just settling into their seats when word filtered down the aisle: "He's going to answer something." No one knew what Mondale would be asked, or by whom, but they grabbed their notebooks and, grumbling and muttering, trudged back to the lobby. As it turned out, most of the reporters did not even bother to write down Mondale's remarks. Yet, as they reminded themselves, at least they had been there, just in case.

That scene is typical of the life of presidential-campaign reporters, who are known, with only slight gender inaccuracy, as the boys on the bus. News organizations have been reporting from the pre-election trail with some consistency for nearly a year, and by last week the entourages of journalists far outnumbered the candidates and their traveling staffs. News personnel aboard the bus (or plane or van) can enjoy intimacy with a potential President: John Glenn, for example, has led a group sing-along of gospel and folk tunes, and shakes hands with the regulars at the end of a swing. But at every stop, the journalists are faced with a candidate's standard speech, the same jokes, the same badinage, and must try to turn them into news. As ABC Correspondent Brit Hume joshed to Mondale's press secretary Maxine Isaacs after a blur of indistinguishable events: "We regulars have had our excitement threshold lowered."

Like the White House beat, to which it is often a steppingstone, campaign coverage is one of the most coveted and also

one of the most confining of assignments. Reporters frequently join the candidate at dawn and may touch down in three or four states before hitting the next hotel bed at midnight. Traveling journalists, like other clients of arranged tours, tend to rehash the details of the day's events, or fret about mediocre food, lack of sleep or insufficient time to do laundry. On one demanding day, the reporters with Glenn set out at 7 a.m. and were given no opportunity to eat until 10 p.m. Recalls the Boston *Globe's* Walter Robinson: "By then, we were getting abusive with the candidate."

Most of the reporters on the buses are young—in their 20s or 30s—white and male. One notable exception is the group accompanying Jesse Jackson: ABC, NBC and CBS have consistently included blacks among the producers or reporters sent to cover him, as have the *New York Times*, *Washington Post*, *Los Angeles Times*, *Newsweek* and *TIME*. Perhaps half of the journalists in the entourages are new to covering national campaigns. Says Bernard Weinraub, a veteran foreign correspondent for the *New York Times*: "It looked like something that I ought to try once, and now that I have, once seems like it may be the right number." But many an editor or pundit—a "big foot," in the parlance of the bus—enjoys returning to the trail occasionally. Says *Des Moines Register* Editor James Gannon: "I go to see the reporters, who are my pals, as much as the candidates."

Almost from the moment that Timothy Crouse published his colorful 1973 critique, *The Boys on the Bus*, which portrayed many campaign reporters as engaging in passive, unimaginative "pack journalism," major news organizations have searched for other ways to cover the candidates. For this primary season, the *Washington Post* has switched from "man-to-man" to "zone" coverage: reporters are assigned to regions of the country, and join up with each candidate in succession as he travels through. The *Post's* Martin Schram, a veteran of the past four campaigns, takes that approach a step further: whenever possible he rents a car, rather than travel in what he calls "the steel cocoon." He explains, "The reporter on the bus may get a good idea of how well one candidate is doing, but learns very little about how he is doing relative to others. The reporter on the ground gets a much better sense of what the outcome will be, and why."

The *Los Angeles Times* has twelve campaign reporters; only two of them travel full time with individual candidates, and those two often swap assignments. *Times* National Editor Norman Miller points out that reporters who remain in the cocoon not only run the risk of getting stale, but are apt to lose perspective; they can become focused on what he calls the "inside baseball" of strategy. Says he: "It does not help a person to make a choice on whom to vote for if we go on about how good an organization someone has in Iowa."

The TV networks are also de-emphasizing daily stories from the bus or plane. Says CBS News Vice President Joan Richman: "We have made some effort this year to report the campaign in a broader context and to lessen the sort of fragmentary coverage you get when your only reporting is from each individual candidate." CBS Correspondents Susan Spencer and Lem Tucker have been encouraged to step back from the Mondale and Glenn buses to work on "big picture" stories. Other analytical pieces on specific issues or themes have been done by each network's senior political reporters.

As always, one of the campaign's most sensitive issues is how much the long-shot candidates get covered. Jesse Jackson, as the only black, was followed even before he officially announced, and after his successful mission to Syria to negotiate the release of downed U.S. Airman Robert Goodman, the attention sharply increased. After Glenn slipped in the poll standings, more notice was given to Gary Hart. But there is still scant coverage for



Mondale with *Times*man Weinraub

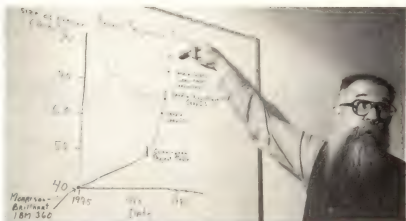
Alan Cranston, George McGovern, Ernest Hollings or Reubin Askew. Stories about the "second tier" of candidates, moreover, tend to dismiss them as having no chance to win.

To offset this, these candidates can try to play to the local press. Says Hart: "Routinely, the coverage from local newspapers and TV is three-quarters quotes from what I said—and they get it right—and the reporters do not feel the need to characterize my campaign in the way the national press has, as faltering, halting or any of those gratuitous words." Hart notes a chicken-and-egg dilemma: candidates who have not done well by conventional measures, such as poll standings and funds raised, tend to receive scant and negative national coverage, which in turn makes it difficult for them to raise funds and attract supporters.

One way journalists try to resolve the problem is to write issue stories that treat the candidates equally. Another method is to run profiles of each candidate, with an emphasis on personality and attitudes as well as ideology, as the wire services, major newspapers and the networks are doing. Says ABC News Political Director Hal Bruno: "We get into what makes the man himself tick. The most important issue is character—the personality and the ability of the candidate."

A further means of achieving balance is to scrutinize front runners more rigorously than their rivals. Although few journalists have examined the budget proposals of the second-tier Democrats, the *Wall Street Journal* dug into the complex question of whether Mondale was making extravagant pledges to interest groups without specifying how he would pay for the programs. The *Journal* concluded: "An examination of his campaign promises indicates he will have to fit more than \$45 billion—and by some calculations almost twice that—of new commitments into a \$9 billion hole allotted for new spending." Mondale replied that the story was "distorted and misleading." As Jesse Jackson has achieved prominence, he too has begun to receive more challenging coverage, including stories in the *Washington Post* and the *New York Times* about large grants by Arab nations to the civil rights organization he founded, PUSH.

For most journalists, the trickiest issue is whether to forecast the result of the battle weeks before the first vote is cast. Last week Lisa Myers of NBC reported, "Mondale's candidacy has taken on an air of inevitability, and that has begun to dry up money and resources his rivals need to keep the inevitable from happening." Many of the reporters on the buses privately agree with Myers. But they question whether it is appropriate for journalists to make such a judgment. They also express uneasiness over the way the dark horses are often ignored. Warns the *Post's* Schram: "The campaigns of 1972 and 1976 stand as examples of how long shots managed to survive despite the spotlight on front runners." —By William A. Henry III



Sandia Laboratories' Gustavus Simmons explains that it is all in the numbers

Science

Cracking a Record Number

Mathematicians solve a three-century-old puzzle in 32 hours

Sandia National Laboratories in Albuquerque is a sprawling research establishment best known for its work on highly secret defense projects, including nuclear weaponry. Last week Sandia exploded a different sort of bombshell. Its mathematicians announced that they had factored a 69-digit number, the largest ever to be subjected to such numerical dissection. Their triumph is more than an intellectual exercise. It could have far-flung repercussions for national security.

As anyone who has ever passed through intermediate algebra knows (or once knew), factoring means breaking a number into its smallest whole-number multiplicands greater than 1. For example, 3 and 5 are the only such factors of 15. But as numbers get larger, factoring them becomes increasingly difficult. Until recently, mathematicians despaired of factoring any number above 50 digits. They calculated that it would take the fastest computer, performing as many as a billion divisions a second, more than 100 million years to finish the task.

Then, in the fall of 1982, a chance encounter closed the gap. During a scientific conference in Winnipeg, Canada, Gustavus Simmons, head of Sandia's applied-math department, was mulling the factoring problem over a few beers with another mathematician and an engineer from Cray Research, makers of the world's fastest computer. The engineer, Tony Warnock, pointed out that the internal workings of the Cray were especially suited to factoring, which is essentially done by a process of trial and error. Unlike ordinary computers, the Cray can sample whole clusters of numbers simultaneously, like a sieve sifting through sand for coins.

At Sandia, Simmons joined with his colleagues Mathematicians James Davis

and Diane Holdridge to teach their own Cray how to factor. That involved developing an algorithm, or set of algebraic instructions, that would break the problem down into small steps. They succeeded admirably. In rapid succession they factored numbers of 58, 60, 63 and 67 digits.

At this point, however, even the power of their Cray seemed to have reached its limit. But the Sandia team made one more try. This time their target was the last unfactored number in a famous list compiled by the 17th century French mathematician Marin Mersenne. The number: 132686104398972053177608575-5060905614293539359890335258028914-69459697, which mercifully can be expressed as $2^{229}-1$. After a total of 32 hr. and 12 min. of computer time, snatched at odd hours over a period of a month, they came up with their answer. Mersenne's number had three basic factors: 178230-287214063289511 and 61676882198695-257501367 and 12070396178249893039-969681. Says Simmons: "You can't help feeling triumphant after solving a problem that has been around more than three centuries."

Some may not share in the jubilation, especially if they are dependent on a widely used cryptographic system thought to be uncrackable. Known as RSA (the initials of its three inventors), it employs difficult-to-factor multidigit numbers to encode secrets and keep them secure. These include electronic funds transfers and military messages. By factoring the numbers, the codes can be broken. When RSA was first proposed, its inventors suggested using 80-digit numbers on the assumption that they were too big to be factored. Obviously, with researchers at Sandia closing in on ever larger numbers, even RSA could eventually fall to the code breakers. ■

Economy & Business

Banking Goes National

Big-city moneymen reach across state lines in search of the choicest markets

National chains are the American way of marketing. Products from hamburgers and mufflers to computers and ice cream are sold in look-alike outlets from Hawaii to Maine. Until recently, one area of business was restrained from going this route: banking. While Canada has just eleven banks and Britain has about 300, the U.S. has some 15,000. Nebraska alone has 283 different banks, Oklahoma 256 and Colorado 126. Says Walter Wriston, chairman of New York's Citicorp: "When the pioneers got off the wagon train going west, they set up a general store, a saloon and a bank." The general store and the saloon may be gone, but the bank probably remains, protected by state and federal legislation from encroaching competition by the big money-market banks.

American financial institutions, however, are now going national. Despite laws like the 1927 Pepper-McFadden Act, which forbids banks to set up branch offices outside their home states, moneymen are spreading out from coast to coast. New financial supermarkets such as Sears and Shearson/American Express are offering a wide variety of banking services, and traditional firms, ranging in size from San Francisco's BankAmerica (assets: \$124 billion) to General Bancshares of St. Louis (\$1.8 billion), are roaming far outside their old territory. Consumers are likely to reap better services and lower prices from the resulting competition.

The leader of this movement is Citicorp (\$130 billion), the largest U.S. banking company. The firm now operates 947 offices in 40 states. Boasts Wriston: "We do business with one family out of ten in the country." And Citicorp is reaching out for still more accounts. Last month it bought Chicago's ailing First Federal Savings & Loan (\$4 billion) and Miami's New Biscayne Federal Savings (\$1.9 billion). A year ago Citicorp purchased California's big Fidelity Savings & Loan (\$2.9 billion).

During the 1960s and '70s, many money-center banks began looking overseas in search of opportunities to expand. But with their books now showing bad debts from Poland, Brazil, and other countries, bankers are trying to tap safer, domestic markets. The rich Sunbelt states of Arizona and Florida hold particular ap-

peal for banks. But until lately, big institutions in New York City and San Francisco left that prime territory to regional banks like Miami's Southeast Banking Corp. (\$9 billion). Says Southeast Chairman Charles Zwick: "We used to be criticized because we seemed more interested in lending in Orlando than in Zaire or the Philippines. We don't hear much of that any more."

American banking regulations have



Citicorp's Wriston wants freedom to roam across the U.S.

been an anachronism in a country where state borders mean less and less. The laws were made at a time when bankers had persuaded legislators that each state should keep its savings at work financing projects within its borders. In addition to federal rules outlawing interstate branching, Illinois, for instance, bans the state's 323 banks from setting up branch offices any farther than two miles from their headquarters. Texas law does not allow a bank to have more than one branch office within the state. The result of those parochial rules is a financial hodgepodge.

"No country has a more fragmented banking system than we do," says Harry Keefe of Wall Street's Keefe, Bruyette & Woods. "There are at least 12,000 banks too many."

Congress first began opening the door

to interstate competition in 1970, when it allowed banks in one state to set up consumer-finance and business-loan offices in another. Citicorp soon established 95 consumer-finance outlets in 28 states under the name Person-to-Person. The company today conducts about 80% of its \$10.5 billion mortgage business outside New York. Meanwhile, Manhattan's Manufacturers Hanover plans to spend \$1.5 billion to buy C.I.T. Financial, which will give it some 1,000 loan outlets across the U.S.

Big-city banks got another chance to cross state lines when savings and loans ran into trouble during the last recession. In 1982, Congress passed legislation that permitted healthy banks to acquire ailing institutions in other states. Major banks jumped at the chance to grab new accounts. BankAmerica, for example, last year bought Seattle's ailing Seafirst Corp. Citibank's S and L takeovers in Florida, Illinois and California were all made under the 1982 act. Wrote Analyst David Whitehead in the monthly magazine of Atlanta's Federal Reserve Bank: "The emergency provisions of the Depository Institutions Act of 1982 may in fact be unlocking the door to full interstate banking."

More than anything else, new technology may be responsible for breaking down the barriers to national banking. At a time when financial institutions can send billions of dollars around the world in a few seconds via modern telecommunications, the state-line limitations seem like a vestige of a bygone era. Says Wriston: "Technology is making the old legal barriers irrelevant." Depositors today can already use nationwide networks of automatic teller machines to transact business almost anywhere. The Plus system, organized by Denver's Colorado National Bank, gives more than 18 million customers access to automatic teller machines at 1,153 banks. Its rival, CIRRUS network, includes 5,000 machines owned by 700 banks with nearly 20 million depositors. Home banking, which allows people to carry out financial transactions from their living room or den on personal computers, is also knocking down state lines. With home banking, it is almost as easy for a citizen of Missouri to have an account with New York's Chemical Bank as it is for a Manhattan resident.



First Interstate's Pinoia franchises the West

Regional banks are challenging the aggressive ventures of the financial-center institutions with a variety of tactics. Many financiers are pushing for new state laws designed to block the entrance of big-city banks into their territory. Powerful regional institutions like NCNB Corp. (\$19 billion) of Charlotte, N.C., are urging legislatures to create cooperative multistate banking as an alternative to national banking. Says Hugh McColl, chairman of NCNB: "We will emerge as the dominant regional bank in this area. Over the next decade, we should get into Virginia, Georgia, South Carolina and then maybe into Alabama." Lewis Holding, chairman of First Citizens Bank in Raleigh, N.C., sums up the fighting mood now prevalent among local bankers by saying, "For a hundred years we've been trying to build our own capital base in the South. We're not going to let some Yankee money-center banks come in and swoop it all up."

agrarian holdover—the populists against the pinstripers."

Small banks in the West have discovered one innovative way to survive: by renting the name and services of Los Angeles-based First Interstate (\$41 billion). The owner of 21 banks in eleven Western states, First Interstate is on its way to becoming the McDonald's of banking. In return for paying a franchising fee, local banks are given the right to use the First Interstate name and are provided with a series of big-bank services, including a network of 750 automatic tellers. Says First Interstate Chairman Joseph Pinoia: "Our customers enjoy all the advantages of home-town service wherever they travel in our territory."

Some small banks are trying to compete in the new era of national banking by concentrating on their specialties. The First National Bank of Amarillo, Texas (\$1 billion), has plenty of savvy when it comes to making cattle loans. Says Chairman Gene Edwards: "Some of the ranchers in our area have been doing business with us for three generations. You don't lend money on cattle like you do on real estate. Cattle can be hauled off in the middle of the night, and there goes your collateral." Many small bankers believe they can stay more friendly and flexible than large institutions. "Size doesn't scare me," says Dean Treptow, president of Brown Deer Bank (\$55 million) in Brown Deer, Wis. "We should be able to adapt more quickly to changes than the big boys can."

Some regional banks are trying to fight off possible takeovers by large institutions by merging with other banks. The goal is to become so large that firms like Citicorp cannot easily swallow them up. Mergers also reduce overhead costs by combining such expensive operations as data processing and advertising. Last week Cleveland's National City (\$6.6 billion) announced plans to merge with Columbus' BancOhio (\$6 billion). Industry Analyst James Wooden of Merrill Lynch estimates that by 1995 the U.S. will have only 25 to 35 national banking organizations.

Citicorp, BankAmerica and the other leading financial-center banks remain relentless in their determination to knock down the remaining roadblocks to expansion across state lines. The financial giants sometimes lose a round or two, but they always fight back. Last year the Federal Reserve refused to approve plans by Citicorp, BankAmerica and First Interstate to buy banks in South Dakota, from which they intended to sell insurance across state borders. Unbowed, the banks have now started pressuring Congress for a legislative change to let their strategy go ahead. Citicorp Vice Chairman Hans Angermueller bluntly says that his company's tactic is "to batter at every barrier at all times." With that kind of zeal behind it, full national banking is probably not far away.

By Stephen Koeps. Reported by Frederick Ungheuer/New York



Bank of New England's MacDougall prefers a zone defense against invaders from New York

Massachusetts, Connecticut and Rhode Island last spring created the first U.S. regional banking zone. This allows institutions in one of the states to acquire banks or savings and loans in the other two. The Bank of Boston (\$20 billion) promptly took advantage of the new law by announcing plans to merge with two other banks in the area. Citicorp, however, sued in federal court in Boston to block the zone as an unconstitutional restraint on trade. Said Roderick MacDougall, chairman of the Bank of New England: "Citicorp is already a dominant presence in our state. I do not think the people of New England will take kindly to this."

In the Midwest, interstate banking legislation has progressed more slowly. Some politicians are opposed to any easing of the old rules because they believe that even regional banks could become too powerful. Says E. Peter Gillette Jr., vice chairman of Minneapolis' Norwest Corp.: "Perhaps the philosophy is an



NCNB's McColl hopes to dominate the South



Lee Iacocca, who developed the concept, says the new models "will make automotive history"

A Maxirush to Chrysler's Minivans

Suburbia piles into the latest hot ticket from Detroit

Visitors to the annual auto show at New York City's Coliseum last week gazed with longing at expensive sports cars and custom-stretched limousines. But a real hit of the extravaganza was the new minivans that are now rushing onto American highways. At the Chrysler display, people bounced up and down in the driver's seat and clambered around the interior. Said Edward Thomas from Matawan, N.J., a prospective purchaser: "It's a very practical vehicle and more fashionable than a regular-size van."

Car buyers around the U.S. agree. Introduced barely six weeks ago, the minivans are now sold out at most dealers. Chrysler has orders for 100,000 of them, which is enough to keep an assembly plant in Windsor, Ont., across the river from Detroit, operating on two shifts with overtime until mid-July.

The front-wheel-drive minivans combine efficient use of interior space, with room for as many as seven passengers, and easy handling. Chrysler's models, named Dodge Caravan and Plymouth Voyager, are 16.7 in. lower and 21 in. shorter than standard vans like the Dodge Ram Wagon. The smaller size and improved aerodynamics created by the minivan's lower profile pay off in fuel economy. The new models get 37 m.p.g. on the highway, compared with 18 m.p.g. for the larger vans. But the new vans can carry only 1,700 lbs., vs. 2,600 lbs. for the bigger versions. Acceleration is also somewhat sluggish, since the minivans use the same 2.2-liter engine as Chrysler's small K-cars.

Minivans do not go for a miniprice. Chrysler's models start at \$8,700 and run as high as \$14,000. A Toyota Van Wagon equipped with an icemaker, front- and rear-seat air conditioner and twin sunroofs can cost \$16,000. The average price of a new car sold in the U.S. today is close to \$11,000.

All the major automakers are going after this fast-growing market. Toyota will

ship 40,000 of its Van Wagons to the U.S. this year, and Volkswagen expects to sell 25,000 Vanagons in America during 1984. General Motors and Ford will not launch vans until early in 1985. Both firms chose to put out a line of small trucks before the minivans. To catch up, Ford has even taken the unusual step of displaying a mock-up of its slope-fronted Aerostar minivan at auto shows a full year before the official introduction. Says Sales Vice President Philip Benton: "We think there is a market for 600,000 minivans eventually, and we think ours is a winner."

Chrysler Chairman Lee Iacocca and President Harold Sperlich first discussed building minivans in the mid-1970s, when both men were at Ford. It was not until 1978, after they had moved to Chrysler, that they got a chance to produce one. The \$600 million project was risky, since Chrysler at the time was on the brink of bankruptcy. Yet Iacocca insisted that the vehicle was a sure hit, and no one was ready to argue with him. Now he claims that Chrysler's minivans "will make automotive history."

Their current popularity is something of a second coming for vans. While the boxy vehicles had long been used by small businesses for deliveries, in the mid-'70s young buyers turned them up into a Pop art form. They tarted them up with fanciful decor and shag-rug interiors. In the peak year of 1978, 900,000 vans were sold. But rising gasoline prices and the recession eroded the demand for these customized, fantasies-on-wheels wagons. By 1981, sales of vans had dropped to 342,000.

Early customer surveys indicate that a whole new class of car buyers is now discovering vans. Most are former owners of sedans or station wagons, and only 3% previously had vans. Says Maryann Keller, a portfolio manager and auto-industry analyst with Vilas-Fischer Associates in New York City: "This is a whole new concept to foist on suburbia." ■

Back to Basics

U.S. Steel buys National

It still makes more steel than any other American company, but investors would never know it from U.S. Steel's balance sheet. The firm last year made more than half its revenues from petroleum, a result of its 1982 purchase of Marathon Oil, and only 31% from steel. Last week, though, U.S. Steel took a giant leap back to basics. Directors approved the purchase of National Steel, the seventh-largest maker, for \$575 million in cash and stock. U.S. Steel will also absorb some \$460 million in long-term National debt, making the total buy-out worth \$1 billion.

The news came as something of a surprise to Wall Street, and with good reason. The day before, the company reported 1983 losses of \$1.16 billion, of which \$634 million came from steel operations and the rest from a huge write-off for plant closings last year. In a meticulous facility-by-facility paring, U.S. Steel plans to shut down all or parts of 73 operations in 13 states, cutting its capacity by 17% and its payroll by 15,436, to 66,000.

The National deal will just about restore the 5 million tons of capacity scheduled to be dropped. In addition, it will match one company's shortcomings with the other's strengths. National lacks sufficient smelting capacity and steel-making coke, while U.S. Steel has both in abundance. National is strong in production of flat-rolled steel, which goes into automobiles and appliances, but U.S. Steel's biggest markets are in



capital goods like oil-drilling equipment.

William Hogan, a steel economist at Fordham University, called the combination a "good fit." Concurred Analyst Dick McCloy of Duff & Phelps, a Chicago brokerage: "U.S. Steel kept saying it was committed to the steel business. I guess this shows the company meant it."

Lynn Williams, acting president of the United Steelworkers, chided U.S. Steel for using money to buy up-to-date facilities instead of improving its own. The union is worried that the merger will further erode its membership, now down to 250,000 from a postwar peak of 620,000 in 1953.

The deal continues a trend that accelerated last year when Republic Steel and Jones & Laughlin, a subsidiary of LTV, agreed to combine. While both mergers must still be cleared by the Justice Department, their approval is expected. ■



Labor leaders demonstrating in Jerusalem against the impact of spiraling inflation

Lost Confidence

Israel's financial woes

Israeli banks once boasted that they were "the economic oxygen of the nation." Today, however, the banks are struggling for breath along with the rest of that country's ailing economy. A bizarre financial crisis, triggered by last year's devaluation of the shekel, has shattered public confidence in Israel's lenders and forced them to slash services.

With annual inflation running into three digits (190.7% in 1983), Israelis are accustomed to speculating on the government's frequent devaluations. Last August, amid fears that the modest 7.5% devaluation would soon be followed by larger ones, speculators began dumping bank stocks in order to invest in U.S. dollars. The sell-off grew so heavy that the Tel Aviv stock exchange closed on Oct. 7. Three days later, government officials declared a 23.5% devaluation. When the market reopened two weeks later, the value of the stocks plunged 17% in a single day.

To prop up their sagging shares, traditionally one of the most popular and profitable Israeli investments, seven banks pumped more than \$1 billion into the stock market. Nevertheless, selling remained so fierce that the banks went to the government for help. After an emergency all-night meeting between the Treasury and the state-owned Bank of Israel, the government agreed to redeem, at the market price just prior to devaluation, commercial-bank shares that had been held by individuals for four years. When the slide finally ended last month, the Treasury had shelled out \$600 million to investors. It was also stuck with a commitment that could cost some \$4 billion more by 1988.

Israel's banks offer financial services that range from making loans to acting as stockbrokers. They are now retrenching to cut their losses. One tough move was aimed at the many depositors who habitually overdraw their bank accounts between

monthly paychecks. The banks have begun charging stiff monthly rates of up to 16.25% for overdraft privileges, compared with some 13% in December. Other steps have included stricter credit-card policies and a 20% increase in fees and commissions on most transactions.

Such moves have outraged many in a nation in which economic discontent has already spawned a wave of protests. Declares one disgruntled depositor: "I will keep large amounts of cash on hand and will pay all my bills in cash." Others have been lining up to open accounts at hitherto little-used post-office banks, where services are limited but attractively free of charge.

Israelis are annoyed that bank officials continued to tout their stocks last year even as prices fell. Rumors that some bank executives were simultaneously selling their own shares have increased the public's ire. Said one bitter investor, whose banker had persuaded him to keep his stock: "I was patriotic and rescinded my sell order. I lost about 70% of my pension money as a result."

The crisis has sparked numerous lawsuits and demands for investigations. "The complicity and duplicity of the banks and the government are something that deserves being looked into," says Joseph Morgenstern, a Tel Aviv financial consultant.

The image of Israeli bankers could be damaged further by a probe launched late last year by the Histadrut, Israel's major labor federation. The organization, which runs Bank Hapoalim, the nation's second largest bank, is investigating rumors about Yaacov Levinson, a prominent Labor Party member and the bank's former managing director. Levinson, according to stories that he angrily denies, shifted bank funds abroad without authorization. Last week the Israeli Attorney General joined the Bank of Israel and a parliamentary committee in looking into the charges. The so-called Levinson Affair has already deepened the loss of confidence in Israel's troubled financial institutions. ■

Dogfight

GE's engine victory

The duel was as fierce as an aerial battle. On one side was United Technologies' Pratt & Whitney unit, long the sole source of jet engines for the F-15 and F-16, the Air Force's two top fighters. On the other was General Electric, which has been struggling to win some of that lucrative business. At issue was one of the biggest defense prizes ever: a long-term contract to build more than 2,000 engines for the F-15 and F-16. The award could ultimately be worth \$17 billion over the 20-year life of the engines.

Following last Friday's closing of the New York Stock Exchange, the Air Force announced the initial winner: General Electric. For at least the first year, said the Pentagon, General Electric would fly off with 75% of the contract, while Pratt & Whitney would have to settle for the remaining 25%. During that initial year, GE will build 120 engines, and Pratt & Whitney will construct 40. The Pentagon said it was particularly impressed with GE's warranty and its plan to let other firms bid to supply spare parts. Air Force Secretary Verne Orr called the warranty issue a key element of the competition.

On Wall Street, investors correctly anticipated the Air Force action. General Electric stock closed at 54½ on Friday, up ¾ for the week. Shares of United Technologies, on the other hand, fell 2½, to 66½.

The decision was a painful blow for Pratt & Whitney, which had been working furiously to upgrade its engine since the Air Force invited competitive bidding and thereby set off what became known as the "Great Fighter Engine War." Pratt & Whitney's product, the F100, had tended to stall when it was first placed on F-15 and F-16 fighter aircraft in the 1970s; the engine is considered responsible for about one-third of the 35 F-16s that have been lost in crashes. But the company has made a series of design improvements over the years; recently added features include a new control system and a safer and longer-lasting main fuel pump.

Both General Electric and Pratt & Whitney had lobbied hard to win the contract. While GE officials disparaged their competitor as "Brand X," Pratt & Whitney executives dismissed GE as the "light-bulb company." Last week Pratt & Whitney proclaimed in a full-page newspaper ad that the F100 was "a new benchmark for fighter engine reliability and durability."

One battle in the Great Fighter Engine War is over, but the fighting is sure to go on. In announcing its decision, the Air Force left open the question of how future contracts will be divided between GE and Pratt & Whitney. ■





The action heats up in *Fait Accompli*: an inky mood, a pugnacious attack, dancers who appear and disappear through a wall of light

Dance

Tharp Moves Out from Wingside

Her new ballets show a masterly range of choreographic skill

It may be the name Twyla—curious, fanciful, perhaps not quite grownup. Or it may be her stage image as a witchy little jazz-bo with a boxer's shuffle and a baseball pitcher's kick. For nearly two decades Twyla Tharp has gone about the business of being a choreographer, methodically building a first-rate company and a large, acclaimed body of work. But her reputation, at least outside serious dance circles, has lacked weight. She handles certain material, such as social dancing, pop songs and pop-up emotions, better than anyone else, in an idiom that seems delightfully impromptu and improper. The loose-jointed, off-balance look is unmistakable, whether a gleeful Sara Rudner is jiggling through *Eight Jelly Rolls* or a bemused Mikhail Baryshnikov is buckling under the weight of his hat in *Push Comes to Shove*. A lot of the action takes place right at wingside: people venture onstage and quickly think better of it, or they try two or three different entrances, or they are flung on and hurled off by their fellows. Her vaudeville flair so

far has overshadowed the dramatic skill she has shown, notably in the full-length *The Catherine Wheel* (1981). But from now on she ought to be recognized as a major choreographer; indeed it can already be said that this is Twyla Tharp's year. Her troupe, now at the Brooklyn Academy of Music, is launched on a national tour featuring three of her jazz

classics (*Eight Jelly Rolls*, *Sue's Leg*, *Baker's Dozen*) and some provocative new pieces that break away from the American nostalgia that is her specialty. *Nine Sinatra Songs* is vintage Tharp, drenched in '40s sentiment but done so well, with every upbeat affirmation so radiantly realized, that no easy label will stick.

But the ballet that really rang in Tharp's big season was *Bach Partita*, which American Ballet Theater is performing on its current tour. Despite some radical moves, it is a classical ballet that Petipa would recognize, and as such, it completes Tharp's range as a choreographer. She has nothing more to prove; the challenges now are the ones that she, as a master, gives herself.

Set to Bach's *Partita No. 2 in D minor* for unaccompanied violin, the piece uses a cast of 36. Cascades of energy flow from couple to couple, wit and finesse point the steps, stretchy phrasing buffets the classical meter. The work not only rewards repeated viewing, but requires it; as usual with Tharp, there are at least two things going on simultaneously, complementing or teasing each other. What can be seen right away is how well she has taken six of A.B.T.'s best dancers, Cynthia Gregory, Fernando Buñones, Martine van Hamel, Clark Tippet, Magali Messac and Robert La Fosse, burnished their skills and made them look fresh. This 28-minute ballet contains the role that Gregory has waited a career for, showing her matchless turns and balances and presenting her very simply as herself: a vibrant, modern virtuoso instead of the fairy-tale queen she has very nearly frozen into.

A.B.T. also has a shorter new Tharp, *Sinatra Suite* came about because her friend Baryshnikov "needed a ballet," and so she ran him up a little number from the same cloth she was sewing for her own company. It consists of four duets for Baryshnikov, who looks and acts oddly like Cagney, and the sultry Elaine Kudo. At the end he dances a marvelous soliloquy on spent passion to *One for My Baby*. *Nine Sinatra Songs* is a sunnier, heartier, more ample work that audiences love. It is hard to believe that Tharp was fashioning *Bad Smells* and *Fait Accompli* at around the same time. If she has sometimes been accused of courting the crowd, these two ballets are surely a corrective.

Bad Smells, an acrid bit of post-punk savagery to a deafening score by Glenn Branca, does not really work. Six

Tharp aloft, with Karshals



VERONICA D'AMICO

dancers perform rites of snarling brutality while a seventh (Tom Rawe) records them with a video camera, with the action projected on a big screen. *Bad Smells* looks unintentionally like a satire on TV news, flitting among scenes of horror and tragedy, recording or ignoring at random. But even without the distracting human figure, one must decide whether to watch the screen or the stage, and either way the result is unsatisfying.

Modern brutality is also the theme of a more interesting effort, *Fait Accompli*, for which Tharp must share honors with Lighting Designer Jennifer Tipton. The material is not very original: another electronic score (by David Van Tieghem) hurls heavy metal at the ear; frantic squadrons of dancers pound down the floorboards; Tharp, as a lone, weary figure, moves through a series of duets with men who try to help her but cannot. The inky mood, faltering and yearning, is what matters here, and it is achieved through Tipton's enchanted fog, a miasma that gradually shifts from a poisonous smog to a more benevolent ether in which Tharp's lost soul can at last breathe. The eerie impression of inner space comes from a novel effect: the dancers appear and disappear gradually through a wall of light in back, with most of their exits and entrances made upstage rather than from the wings.

When Tharp first comes onstage she has a little sparring match, all darts and shuffles, with Raymond Kurshais. *Fait Accompli* is certainly not about the woes of boxing, but physical workouts have something to do with its style, and especially with the grace and vigor of Tharp's body. At 42, she is in superb shape, performing every night without any concessions at all to age. She is in fact making a comeback after a three-year retirement. "I wanted to be stronger than I could get through ballet classes," she says. "I figured that a boxer is in better condition all round than anyone."

She calls dancing "a luxury" now. The real business of life is choreographing, running and nurturing her company, and making deals, TV tapes and even the occasional movie. Her troupe will tour Latin America this spring, Western Europe in the summer. Next fall will see the opening of Milos Forman's film *Amadeus*, for which she created the dances. Next year she will make a full-length work for a European company, inspired by the early ballets of Mozart's time. Before that will come a June collaboration with Jerome Robbins for New York City Ballet. All of Broadway has its eye on this matchup of two tough-



Eloquent classicism: La Fosse, Messac, Gregory, Bujones, Van Hamel and Tippett in *Bach Partita*

minded show-biz smoothies. So far Robbins has made only one suggestion: that the drop curtain be in the form of "His" and "Hers" bath towels.

The sense of loss in Tharp's *Fait Accompli* has in part to do with the eventual prospect of retiring, and it will not be easy. "If I didn't believe in myself as a dancer, I wouldn't choreograph," she says. "My own physicality, not an abstract idea, makes me a choreographer."

In fact she has prepared the transition that must come when the founder of a company is no longer its performing focus. The range of her creations is already greater than her physical presence can encompass. She speaks fondly and volubly of her parents' inspiration. Her mother, who trained to be a concert pianist, insisted on lessons in several instruments,

musical theory, plus extras like baton twirling (there is a fine baton riff in *The Six Pieces*). Her father owned drive-in movie theaters around Los Angeles, which provided Tharp with an open-air classroom in popular culture. But she also remembers the satisfaction of watching him building and repairing his property, "brick and mortar, step by step."

That is how Twyla Tharp has constructed her career. Which brings us to her third great inspiration, George Balanchine. Unlike most people in the dance world, Tharp is no expert on his choreography, but she knew what she needed to learn from him. "He understood about music," she says. "He understood about dramatic and social dancing. And he understood everything about the erotic, bless his heart. He was a craftsman, not some-

one who took a 19th-century artistic pose. He trained generation after generation of dancers, each a development on earlier ones, and his own work developed and diversified. He was a good businessman—I like that—and I loved the flair of the man." Tharp visited Balanchine when he was dying and no longer able to recognize anyone. "But I wore my best clothes and my good perfume," she says, "because I knew he would still enjoy that." That is a tribute, with flair.

No one is about to replace Balanchine or even approach his union of genius, constancy and craft. But it is good that someone is studying the map and traveling the routes and exploring the whole world of dance theater, as he did. —By Martha Duffy

Fizz nostalgia: Jennifer Way and William Whitener in *Nine Sins*





Architect Barnes and hall of classical and non-Western art: giving the visitor a feeling of flow, a sense of going somewhere

Design

Nine Lively Acres Downtown

In an age of razzle-dazzle, the Dallas museum is joyfully simple

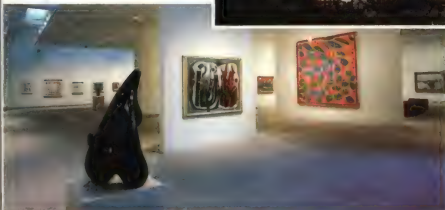
Museums are now civic centers for the celebration of art, rather than simply treasuries of the past. Increasingly they are offering concerts, film programs, lectures, children's activities and education programs that reach far out into the community. They also house restaurants and, of late, the most booming branch of the booming museum biz, museum shops. Attendance keeps increasing, not only because of a still growing interest in art and culture, but also because of a growing need to experience a sense of community. Architect Edward Larrabee Barnes' Dallas Museum of Art, which opened to the public last week, is the latest and most successful example of integrating community activities with the display of objects.

European museums, like Paris' Louvre, originated with royal collections. In America, the old Ecole des Beaux-Arts temples were usually built to stand apart from the city's commercial bustle. The first modern museum to break the pattern was, appropriately enough, New York City's Museum of Mod-

ern Art, which in 1939 built its first new home in the heart of downtown. While the old museums featured formal, skylit rooms, MOMA presented its art on open, loftlike floors that could be partitioned or rearranged like stage sets.

MOMA, now topped by Architect Cesar Pelli's 52-story, income-producing condominium tower, remains a handsomely modest structure. It was followed, however, by a veritable binge of architectural experimentation in museum construction.

Forty-foot-high barrel vault; European gallery



Some of the buildings were ego trips that overpowered the art they were to shelter and display, among them Frank Lloyd Wright's dizzying Guggenheim Museum (1959) and Marcel Breuer's brutal Whitney Museum of American Art (1966), both in New York City. Philip Johnson's Sheldon Memorial Art Gallery at the University of Nebraska in Lincoln (1963) returned to a somewhat saccharine classicism. But the one museum of that hectic period that seemed to work best for the display of art was Barnes' Walker Art Center in Minneapolis (1971). Its architectural form is not particularly memorable, but it is a pleasant, even festive building. Says Barnes: "We wanted the visitor to remember painting in space, sculpture against sky and a sense of continuous flow, a sense of going somewhere."

Barnes, 68, studied with Bauhaus Leaders Walter Gropius and Marcel Breuer at Harvard, and has kept faith with their no-nonsense, functionalist International Style. His new 43-story IBM building in Manhattan, for all its green granite elegance, carries this style to an absurdly defiant extreme. His Dallas museum, on the other hand, is a joy precisely because at a time of architectural razzle-dazzle, it is so endearingly simple. It is thoughtfully and beautifully designed architecture in the service of art.

Covering nearly nine acres at the foot of Dallas' downtown skyscrapers, the museum consists of a low composition of geometric forms, dominated by an imposing 40-ft.-high barrel vault. The entire building is of limestone, cut in huge blocks and coursed with deep V cuts. It does not look monumental, let alone massive, but it is self-assured and virtually throbs with energy. The stoic exterior conveys a sense of the various spaces inside. They include landscaped courtyards and an enchanting 1.2-acre sculpture garden.

From the moment Barnes started working on the design in the fall of 1977,

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Design

he envisioned the proposed museum as a catalyst and cornerstone of a new cultural district to enrich and enliven downtown Dallas. He helped select the site, at a point where a section of a nearby freeway is sunken rather than elevated. And he placed the front entrance of his building at the end of Flora Street, a dilapidated road in a fairly dingy area. As a result of Barnes' vision, Dallas has discovered and is preserving a number of interesting old buildings on Flora and has decided to turn the street into a grand boulevard that will be flanked by a proposed concert hall, already designed by Architect I.M. Pei. One half of the 60-acre district is to be devoted to nonprofit cultural use, the remainder to compatible commercial development. All buildings along the boulevard are to have ground-floor display windows to provide interest at eye level.

The museum's interior is designed for unusual ease of movement. Visitors may enter from the proposed boulevard, from the downtown side or from a parking lot. These three entrances are connected by a hallway, separating the galleries from the other facilities. The hallway crosses Barnes' great vault, in which are placed big and colorful works of contemporary art by Robert Rauschenberg, Mark Rothko and Jackson Pollock.

Arranged on three levels, the permanent collection flows through the history of art like a calm river. As Barnes and the museum's chief curator, Steven Nash, have designed the displays, there are no needlessly harsh and categorical boundaries between cultures, ages and styles. A meticulously realistic 1867 Ernest Meissonier (a scene from the Napoleonic campaigns) hangs next to an audaciously surrealist 1947 René Magritte (a floating nude), and it works: Here too is "a sense of going somewhere."

The galleries' dimensions, the nature and quality of their light and the texture of their floors (limestone, carpet and oak) keep changing. Some walls are washed in daylight. Some have windows that look out on either a garden court or a patio with a pool of water. At every turn Barnes affords the visitor an interesting vista or a refreshing pause. Says he: "This kind of punctuation provides a counterpoint by relating art to nature."

Children will love their part of the museum, a cluster of galleries with neon-tube sculpture and all kinds of hands-on doodads. Old folks will cherish sitting in the sculpture garden with its waterfalls and greenery. Even the cost-conscious should be happy: the building came in at \$50 million, some \$2 million less than had been raised. Barnes, with important help from Museum Director Harry S. Parker III and his curators, has created more than an exceptionally fine museum. Along with the proposed cultural district, it promises to make downtown the civilized center of the growing Dallas region.

—By Wolf Van Eckardt

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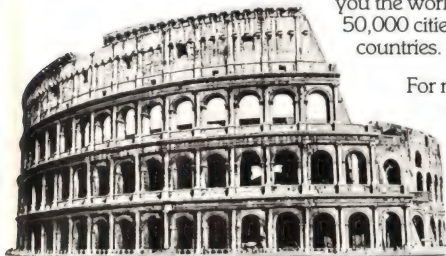
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Show Business



Moments before the accident, the singer and his brothers, backed by a lavish pyrotechnic display, making the ill-fated Pepsi-Cola commercial

Too Much Risk on the Set?

Michael Jackson's fiery mishap renews concerns about safety

The elaborate \$1.5 million commercial for Pepsi-Cola was being taped in front of 3,000 fans at Los Angeles' Shrine Auditorium. Four times Singer Michael Jackson glided down a staircase toward Jermaine and his three other brothers as a pyrotechnic display was set off behind them. But the effect was not quite right for Director Bob Giraldi. According to Jackson's associates, Giraldi asked the singer to move more slowly and ordered the fire-works "heated up" a bit. The combination proved volatile. On the fiery fifth take, as pop music fans the world over swiftly learned, sparks from a smoke bomb ignited Jackson's hair, sending the singer to the hospital with second- and third-degree burns on his scalp.

Jackson is expected to recover fully, though he may require cosmetic surgery to replace his hair in the burned area. His physician last week stressed that the injuries could have been much worse if the fire had not been doused so quickly. While Jackson's attorneys contemplated a lawsuit, friends denied one rumored cause of the injury: the singer's hair, they say, had no flammable pomade or hairspray on it.

Accidents can happen, of course; but when they happen to pop superstars, people take notice. Jackson's mishap has further roiled long-simmering concerns in Hollywood over safety on the set. Many industry observers are questioning whether TV and movie directors have become reckless in their pursuit of ever more dazzling special effects.

On-the-set accidents like Jackson's are hardly unprecedented. Laurence Olivier, while shooting the movie *Lady Hamilton* in 1940, had his wig accidentally set afire by a torch; he escaped serious injury. But the toll seems to have burgeoned with the technology. Erik Estrada

was seriously injured in a motorcycle accident on the set of TV's *CHiPs* in 1979. Another TV star, Peter Barton, suffered third-degree burns over 18% of his body in 1981 while filming his sci-fi series *The Powers of Matthew Star*. Dozens of stunt people and technicians have been involved in less publicized mishaps. In all, 214 members of the Screen Actors Guild (which includes stunt people) reported work-related injuries in 1982.

The most horrifying recent incident occurred on the set of *Twilight Zone—The Movie* in July 1982. While shooting at 2 a.m., actor Vic Morrow and two Vietnamese children were killed when special-effects explosions caused a helicopter to crash into them. A hearing is now un-

Jermaine and Michael, rear, as his hair ignites



der way in Los Angeles to determine whether Director John Landis (who, coincidentally, also directed Jackson's *Thriller* video) and four others should stand trial for involuntary manslaughter.

The rash of accidents can be blamed partly on Hollywood's "Can you top this?" scramble for more daring car chases, more eye-popping special effects, more realistic action scenes. Another problem, especially in television, is rushed shooting schedules. "In episodic TV today," says veteran Director Paul Stanley, "directors are asked to do a scene in two or three days that years ago in feature films they'd have been given weeks to prepare for." To avert accidents caused by fatigue, the Directors Guild of America has proposed that shooting days for TV series be limited to no more than eight hours. The proposal is opposed by the studios, however, since it would stretch out shooting time and, they fear, increase costs.

Some directors contend that the safety problem has been overblown. "If you take all the thousands of things we do in a year—the car crashes, the underwater stuff and everything else—our safety record is pretty good," insists Hal Needham, director of *The Cannonball Run*. "There are always going to be accidents."

Still, Hollywood seems to be growing more safety-conscious, if not more cautious. The Screen Actors Guild reports that anonymous calls alerting it to unsafe sets have increased dramatically since the *Twilight Zone* accident. And stunt people—traditionally loath to turn down stunts for fear of losing a job, or face—are becoming more wary. "Ten years ago, we wouldn't have taken a second look before we did a stunt," says Fred Waugh, president of Stunts Unlimited. "Today we take a second or even a third." Many Hollywood officials hope the industry will step up its self-policing efforts, lest state and local governments start taking the closest look of all. —By Richard Zoglin. Reported by Russell Levitt/Los Angeles

People

"It's a tough game, like shooting foul shots. You miss more than you make," says **Wilt Chamberlain**, 47, who after eleven years of retirement from pro basketball is putting on a full-court press for stardom in *Conan: King of Thieves*, due out this summer. In the sequel to 1982's barbaric hit, the 7-ft. 1-in. former N.B.A. champion dunks some nasty villains as the warrior Bombata, who is on a perilous adventure with the shorter (6 ft. 2 in.) but broader Conan, portrayed again with brutish authority by Celebrity Iron Pumper **Arnold Schwarzenegger**, 36. Also along for the fun and grunts in the film, now shooting in Mexico, is the Amazonian Zula, played by Model-Disco Star **Grace Jones**, 30. How does Wilt the Stilt feel about trading his hoop spiking for a spiked club? "I figure if I'm going to be a baddie, I bet-



Dressed to kill: Chamberlain and Schwarzenegger in *Conan II*



Gossett as Egypt's *Sadat*

ter have something serious to back me up," he says. "I designed it myself. I might take it with me the next time I'm out for a walk in New York."

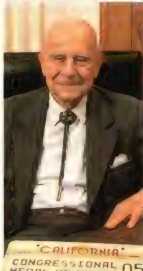
It was intended by its U.S. producers to be a tribute to the late Egyptian President, but when the TV film *Sadat* was screened recently for a censorship committee that included Egyptian Minister of Culture Muhammad Radwan, something had obviously been lost in the translation. Charging that the 1983 film, which stars **Louis Gossett Jr.**, 47, contained "historical errors that distort the accomplishments of the Egyptian people," Radwan

banned from his country not only *Sadat* but all films produced or distributed by Columbia Pictures. Egyptian objections to the four-hour movie are not so much that **Anwar Sadat** is played by a black actor, as some reports have suggested, but that accents are often Pakistani rather than Egyptian; some of the garb worn is found in Morocco, not Egypt; Nasser is shown kissing Sadat's wife, an abominated Westernism. Moreover, to the Egyptians the film seems to tilt inappropriately toward **Menachem Begin** in awarding credit for the Egyptian-Israeli accords. Nonsense, counters *Sadat* Producer Daniel Blatt. The real reason for the ban lies in the shifting sands of Egyptian politics, he says. "They no longer like Sadat and the peace he made."

His 30 seconds over Tokyo as an Air Force squadron commander during World War II earned now retired Lieut. General **James Doolittle** the Congressional Medal of Honor. Other highflying exploits earned him a Distinguished Flying Cross and a Silver Star. Of course, it still takes all those

medals and a token to get on the bus. But now Doolittle, 87, has an honor he could use while piloting his car along the lower altitudes of the California freeway system: personalized license plates. Following an act of the legislature, Doolittle and about two dozen other Congressional Medal of Honor winners living in the

Doolittle and Golden State plates



Golden State were paraded through the center of Sacramento and awarded the numbered plates on the steps of the capitol. (Doolittle, the fifth oldest, got plate 05.) Although "pleased and flattered," the general hasn't yet decided whether he will use the plates.

She had always wanted to write a memoir, but her dad did not favor the project. "You write it and I'll kill you," he said. **Antoinette Giancana** prudently decided to humor him, but in 1975 her dad Sam ("Momo") Giancana was shot down gangland-style. She waited a year—"You know, this Italian thing of letting the body get cold first"—and started to work with the help of a professional writer. Among the more titillating tidbits in *Mafia Princess*, to be published next month, is the implication



Giancana: Daddy dearest

that **Frank Sinatra** misspoke himself in 1981 when he told the Nevada state gaming control board that he had never been friendly with the Chicago-based mobster or shared interests with him in a Lake Tahoe casino. Giancana says that Sinatra and her father were good pals as far back as the mid-'50s and may have been quiet partners in the Cal-Neva Lodge; she quotes previously unreleased FBI documents as support. Giancana, 48, is upset, however, that news of the Sinatra snippet is "taking precedence over the humanistic part of the book. It was not done maliciously. I'm not a malicious person. Others may be, but I'm not." —By **Gay D. Garcia**

Sport

The Sweet Scene in Sarajevo

On the eve, a promise of the "best Games" ever



The 1984 Puerto Rican Winter Olympic team, first in the annals of the country and last to the bottom of the luge run, consists of one well-rounded American named George Tucker,

who is particularly well rounded in the seat, where the number of mended holes in his suit suggests that Tucker occasionally arrives at the finish line without his sled. "I have about a 75% completion rate," he says. "That's good for a quarter-back. It's not so good for a luge racer."

Tucker was born in San Juan, where his father distributed motion pictures for RKO. He lived there five of his 36 years, but spent the larger part around Albany, N.Y., irregularly pursuing a doctorate in physics among other degrees of understanding. Introduced as "George Turkey" by the Yugoslav public address announcer, Tucker muses, "He knows more English than he lets on," and takes off on another practice slide down a jagged icicle that meanders like a teardrop through the piny woods on Trebevic Mountain.

With the Sarajevo Games opening this week, rehearsal time is precious even for the lugers who have been at it more than the year Tucker has, and he is puffing as he returns to the start. "When you crash, it takes a little longer to get back," he apologizes. "You have to retrieve your sled." In the '60s, before he weighed 210 lbs., when he was a pretty handy 6-ft. 1-in. basketball player, Tucker thought of trying out for the Puerto Rican Olympic basketball team. But dreams, like pounds, like years, slip by faster than luge racers flip from their sleds. Finally last year, he says, "I got the name of the president of the Puerto Rican Olympic Committee out of the *New York Times*. They sent me a beret. The rest of my opening ceremonies uniform is off the shelf." Now the dream is close enough so that Tucker can reach for it. Though even as he does, it will be behind him. "I'll carry



Bjelajevica's Olympic ribbons: the downhill-slam and giant-slam courses

the flag," he says brightly, but adds ruefully, "if I'm able to by then." Of the 49 teams there, the winter record by twelve, is there one that is more representative of the Olympic ideal than the Puerto Rican?

On top of old Bjelajevica, all covered with snow, workmen are hoisting a wheel to finish rigging a ski lift. The wind is fierce, and faces are glowing like crêpes suzette. The snow blowing in the sunlight is as fine as dust. To lengthen the course a

few meters, the downhill run begins inside a new restaurant adjacent to a weather station whose frozen antennas resemble the turrets and spires on an ice castle. Out of the station emerge a gruff man, probably the caretaker, and his toothless wife, whose single braid dangles two feet below the point of her kerchief. Also a daughter, her rosy face alight with mischief, and two dogs nearly as white as the snow. The man has the look of a lighthouse keeper

whose island of solitude is being turned into a marina.

He is the only one around, though, who does not seem to share a vision of Sarajevo as a perennial winter playground, the expressed motive of the Olympic organizers. And as far as the mountains go, the picture is gleaming. But the city, usually deep in snow long before now, is mired in mud. Central Yugoslavia has melted practically into spring. On the Mount Igman plateau, where the cross-country skiers will stride and slide through the forest, their trail is streaked with patches of dire brown. A small battalion of soldiers is scattered in the woods prospecting for snow by the clump, hauling it out in what appear to be orange parachutes, dumping it down orange funnels, stomping it into the bad spots. They are sweating, if no one else is. "I can assure you, there is plenty of snow for the competition," says Juan Antonio Samaranich, the Spanish president of the International Olympic Committee. "We expect this to be not one of the best, but the actual best of all the 14 Winter Games."



The Puerto Rican team

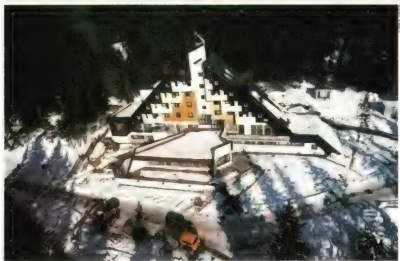
Indeed, the facilities are handsome. Mike Moran, press director of the U.S. Olympic Committee, says, "The village is the nicest one, summer or winter, I've ever seen." In Lake Placid, N.Y., the Olympic Village of four years ago has been turned into a prison, a conversion that required little change in atmosphere. The athletes' quarters in Sarajevo have the mood of a small town, complete with landscaped square, where the flats are small but pleasant. The knotty-pine floors of various communal rumpus rooms (chess, billiards, video games, television, dancing) give the area a fragrance to compete with the common smell of burning brown coal permeating the countryside. At the sight of one game in particular, Americans are inclined to smile: a hockey machine worked by levers, with little U.S.A. men on one side and Soviets on the other. It does not take dinars or rubles, only quarters.

Political hockey has been expanded way beyond two teams this time. The Finns anticipate that someone may object to Goalie Hannu Kampouri's previous experience with the National Hockey League's Edmonton Oilers, so they are poised to challenge the eligibility of nine players from six nations. The Americans question the amateur status of four Canadians, who in turn are complaining retroactively about two of the most prominent U.S. players from 1980: Mike Eruzione and Ken Morrow. All of this high-sticking will be settled before the opening ceremonies, because the U.S. and Canada cannot wait that long to have at each other. They play the night before.

Around the perimeter of the village, distant sentries are stationed, some sinking unobtrusively into the muck. Machine-gun-toting guards, so familiar now at world occasions, are omnipresent here, along with airport-style X-ray equipment. Moran says, "The athletes are hoping they don't have 'blanket detectors.'" Souvenir hunters are eyeing the covers. Bedding in Sarajevo is more brilliant than housing.

But the homes are warm and the people are sweet. A woman in work clothes surprised by visitors while hanging her laundry (Yugoslav dry cleaning, it flutters everywhere) appears the next moment in a beautiful red dress to offer coffee and slivovitz. Boots are left on the stoop, and slippers wait inside the door. Her brother-in-law, a more or less symmetrical giant named Momo, pours the plum marvelous drink while a child grinds the coffee. Without understanding very much of what is said, the family enjoys the conversation of the guests, who go to bed singing and wake up holding their heads.

Gray, brown and glum are the colors of the city, but the citizens are certainly more cheerful than the apart-



In the mountains above Sarajevo, a hotel for athletes is properly snowy . . .



. . . but down in the Olympic Village, it might as well be spring for a U.S. skater

ment projects in which many of them reside. Children's kickball games spill over like laughter in the streets. By East European standards, goods are bountiful, and by Western standards, they are inexpensive. The air is foul, the water sparkling, the meals cheap, the service conservative.

Along with the shiny gold pins that are always the most valued currency at the Olympics, people have been exchanging stories of local kindnesses. "When our flight connected in Zagreb," says Sandra Knapp of Indianapolis, "eight of us with the U.S.O.C. went to change money, and the banker made us all come to his office for cheese and brandy. The men are so gracious. I'll tell you what, women's lib hasn't hit here. I've never felt so feminine." However, the black-bearded driver Alex, while helping a British woman carry her groceries, says aside, "I would never do this for my wife." For all the little

cars darting about the streets, occasionally having to swerve around a horse-drawn hay wagon or a cow, no women drivers have been spotted in a week.

The dark worry of terrorism that has lately attended all Olympic gatherings seems somewhat lighter on the eve of the XIV Winter Games (remember, Yugoslavia confounded Hitler without much help). Four years ago, at Lake Placid and Moscow, then I.O.C. President Lord Killanin spoke defensively about the very future of the Olympics. The question was actually posed: Should there be Olympic Games? Anyone who still regarded these quadrennial sports feasts as havens from the troubles afflicting mankind had not been paying attention. But a few years passed, and now Samaranch appears ebulliently at ease. Los Angeles had no rivals in bidding for the coming Summer Games, but Samaranch says that Brisbane, New Delhi, Paris, Amsterdam, Barcelona and Stockholm are fighting over 1992, and the entries are not closed yet. If the Olympic spirit is hopeful again. If it would only snow.

—By Tom Callahan



On the way to Sarajevo

If you get "F's" on this simple test, you may be at risk for diabetes.

In most people, diabetes develops slowly, over years. There are no early warning signs at all. Sometimes it can remain undiagnosed until a serious complication results affecting the kidneys, vision, heart, brain or even life itself.

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The first "F" is for family:

It's also the most important one. If there is a history of diabetes in your family—even in a distant relative—you are at greater risk of developing it yourself. And this particular "F," in combination with any of the others, increases your risk considerably.

The second "F" is for fat:

Being significantly overweight increases the likelihood of developing diabetes. About 70% of all diabetics are overweight at the time of diagnosis.

The third "F" is for forty:

Although diabetes can affect people of all ages, the chances of developing it increase with age. About two-thirds of all diabetics are over forty.

The fourth "F" is for food:

The quality as well as the quantity of food you eat may predispose you toward diabetes—high in calories, high in sugars, low in fiber.

What is diabetes?

Diabetes is a disorder in which the body cannot control the levels of sugar in the blood. Normally the hormone, insulin, regulates the blood sugar level. But if your body does not produce or effectively use its insulin, diabetes results.

What can be done about diabetes?

Often people don't realize that most diabetes can be easily managed by simple programs that bring blood sugar under control. Many diabetics need only weight reduction, the right foods and moderate exercise. And, if these changes are not enough, a simple oral medication is all

that may be needed. Today, even those who need insulin can be better and more comfortably managed by their doctors than ever before.

The diagnosis is easy.

But only your doctor can make it. And remember, if you got a combination of "F's" on the test—over 40 and overweight, or have diabetes in your family—you should have regular blood and urine tests. Early diagnosis in adults can lead to better management and fewer problems later on.

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Command central: the control room in Sarajevo monitors all the action, mixes in 27 reporters plus two years of preparation—and presto!

Your Ticket to the Games

New technology and good old Jim McKay to tell the story



Ah, yes, those five interlaced rings, the stirring 70-year-old symbol of Olympic unity and international brotherhood. Not quite. Look closer. The three uppermost circles have been trans-

formed into the letters a, b, c, and they are linked arm in arm with the lower two. ABC's logotype for the Sarajevo Games is more than just clever corporate iconography: it symbolizes the union between television and the Olympics, a continuing love affair between technology and the athletes it covers. It is a match made in advertising heaven and the visionary mind of Roone Arledge, the president of ABC News and Sports.

ABC has telecast seven of the past ten Olympiads, Winter and Summer. It has worked hard, spent mightily and trumpeted loudly to make itself "the Network of the Olympics." Starting this week, it will be beaming 63.5 hours over 13 days. The network is expecting (and praying) that at one time or another, 200 million Americans will tune in to the true, permanent site of the Games, the TV screen.

ABC spent \$91.5 million in 1980 for the opportunity to televise the Sarajevo Games, a figure that at the time seemed astronomical. Yet two weeks ago, Arledge and company purchased the rights to the 1988 Winter Olympics in Calgary, Alta., for \$309 million. Way back in 1980, the Lake Placid Winter Games cost the network only \$15.5 million. A phenomenal escalation but, so far, not an insane one. For the Sarajevo Games, ABC is charging

advertisers an average \$225,000 for 30 seconds of prime time, down to a bargain-basement \$75,000 for late night, and every spot is already sold. ABC's total expenditure for the Winter and Summer Games, including production costs, is \$500 million, and the network expects to take in about \$615 million in advertising revenues. A nice 23% profit, plus prestige and potentially high ratings during February "sweeps" month, when network affiliate ratings are measured.

"The Little Olympic Village" is what insiders call the nerve center of ABC's massive operation. The \$70 million concrete broadcast center, set on Sarajevo's main street, is a 60,000-sq.-ft. marble-floored palace of technology. Two control rooms, one with a wall of 70 flickering TV monitors, relay pictures from rinks and slopes around the city. In addition, there are ten editing cubicles and 36 Ampex

VTR-30 videotape machines, which can play three hours of tape, then rewind it in 90 seconds. Snaking through the building are 150 miles of cable. Designed and constructed in Los Angeles, the center was disassembled and shipped to New York City, reassembled and tested in a warehouse for what ABC dubbed a "war games" dress rehearsal, then disassembled again and shipped by boat in 30 mammoth trailers to Yugoslavia. A few days after the Winter Games are over, technicians will begin breaking it down yet another time, so that it can make the return trip west for the Summer Games.

The center has innumerable toys for ABC technicians to play with. The "paint box," for example, is essentially an electronically sensitive canvas on which an artist can use 5,000 colors to sketch designs on the TV screen. Need some music to go with the painting? ABC's directors can choose from thousands of musical selections catalogued not by composer but by theme: achievement, panorama, fanfare. A speed skater grimaces with effort; just flick the switch for "determination." ABC engineers have also developed a computer animation device that within 20 seconds of, say, a hockey goal will produce gyrating stick figures that re-create the entire play and display the image from any point of view. All together, the systems are 90% computer-controlled, but unfortunately the center depends on something much less sophisticated than the Yugoslav power-supply system. Brown-outs are not uncommon, but ABC says its back-up generators can kick in fast enough to prevent computer data crashes.

The Yugoslav television consortium known as JRT is providing the video feed to the rest of the world, but ABC is buttressing some 75 Yugoslav cameras with 74 of its own, fearing that JRT's coverage would seem like a drab coaching film

The minicamera: skier's-eye view



Sport

to American viewers. Explains Dennis Lewin, vice president of production coordination: "We believe in more tight shots, more low shots; we're used to an 'up close and personal' approach in documenting events." During the men's downhill, for example, JRT will show only the starting line and the bottom half of the run. ABC has added five mounted and three handheld cameras to the upper portion. Only the American audience will see each skier's run without missing a single turn.

U.S. viewers will also see some things that no one has ever seen before. ABC has a fist-size camera that works on a silicon chip and can be attached to a skate or even a hockey stick. Ski jumpers, among other athletes, have been enlisted to wear the camera during practice runs, so that a viewer experiences the rush and speeding descent of the action through the jumper's eyes. This electronic gadget has already been strapped to one of Scott Hamilton's skates to record the tracings he makes as he performs his school figures.

While the minicamera reveals the microcosmic world of the skater, another camera will offer the macrocosm. ABC has mounted it on an 18-ft.-high crane in one corner of the 8,500-seat Zetra Arena. When Hamilton does his patented fancy-footwork *entrechats* from one end of the rink to the other, the camera can shoot him from on high, then swoop slowly down as Hamilton approaches, capturing at ice level his final jump. Function follows form: the camera's movement will mirror the sinuous grace of the skater.

To control and operate all this equipment, ABC will have some 900 people on its payroll in Sarajevo, including 325 engineers, 125 production people and 75 representatives from management. (Of these, 180 are young Yugoslavs, who are being paid an amount that ABC will not divulge, but enough so that they are making in a day what their fathers earn in a week.) Presiding over everything, Arledge will produce the Olympics from a special burgundy chair in the broadcast center, which is not unlike the chairman of General Motors showing up to supervise the Cadillac assembly line.

If, in this Olympian world, Arledge is Zeus hurling electronic thunderbolts, then Jim McKay—good, kind, gentle Jim McKay—is the homespun Homer, a bard who recounts the feats of the heroes and, out of the kaleidoscope of events, pieces together Arledge's desired story with a beginning, a middle and an end. McKay, now 62, has been the on-air oracle of the Olympics for 20 years: Sarajevo will be his ninth Games. The voice, like that of McKay's idol Bing Crosby, is mellow, relaxed, always in control and is the unify-

ing harmony of the Olympics. McKay, who reads only what he writes, sees his role not as an announcer but as a storyteller. "You're supposed to be perceptive enough to see some sort of script that's writing itself," he says, "some thread that goes through an entire event, that you can point out to people."

Any story is built up with details, and those odd bits of Olympic arca that McKay so facetiously drops into his narrative are the result of two years' worth of preparation. In 1982 a team of ABC researchers set about gathering statistics, biographical information, trivia and whatever facts might conceivably add spice to the story. McKay has diligently read through a thick volume of accumulated data. In Sa-



ABC's Anchor McKay at home on his Maryland horse farm

Seeing "some sort of script that's writing itself."

rajevo, that information is accessible to ABC employees through a computer hooked up to ABC's data bank located in, of all places, Hackensack, N.J.

To help McKay weave a narrative, there will be 27 other on-camera announcers covering the events, including such regulars as Frank Gifford, Keith Jackson, Al Michaels, Jack Whitaker (but not Howard Cosell), along with former Olympians Donna de Varona, Eric Heiden, Mike Eruzione and Bob Beattie. There is even a celebrity troubadour, John Denver, who has composed some new ballads (*Sarajevo High?*) to serenade viewers. For the "Up Close and Personal" profiles shown between events, a staff of 20 researchers was dispersed across the world for a year to film and interview athletes in their home settings. ABC has featured 65 likely contenders in these seg-

ments, although probably only half of them will end up being used.

Neither the equipment nor the research was available to McKay when he announced his first Olympics, the 1960 Summer Games, the only one he did not do for ABC. He recalls that the tapes were flown to New York from Rome and often arrived frozen. Says McKay: "I can remember standing in the tape room holding them, trying to get them thawed out in time." For McKay, every Olympics has a personality that he tries to convey to the viewer. He saw the Games at Lake Placid, for example, as a kind of icebound *Our Town*. But the Games for which McKay is most remembered had a darker character: Munich 1972. The grisly murders of eleven Israeli team members by a terrorist group turned a television fantasy into a nightmare. For more than 13 hours, he narrated the ordeal with a kind of mournful intensity. It was the nadir of the Olympics but McKay's finest hour, and won him the fourth of his ten Emmys. "As much as I hate to say it," McKay acknowledges, "Munich advanced my career."

While spinning out the story of the Games, McKay avoids the clichés with which so much of television sports is infested, concentrating on small events in time, not the record-setting times in events. His own favorite moments tend to center on individuals like the Japanese gymnast at Mexico City in 1968 who competed with a broken kneecap. "Television has made it possible for the audience to identify with individual athletes," he explains. Every four years, McKay searches for something rarely seen nowadays, something that, ironically, has been lost in part through the very medium in which he works. He looks for people who strive for perfection for its own sake. Notes McKay: "The word amateur comes from the French and Latin words for lover. So what I really admire are people who do it because they love to do it."

Although far from an amateur, McKay obviously loves what he does and performs with the same concentration as that shown by the athletes he describes. With his 65th birthday on the horizon before the next Olympiad, he thinks about slowing down some, spending more time at his Maryland farm and racing a small stable of horses. Perhaps this will be his last Games. But then he struts restlessly at the thought of Calgary in four years. "The Olympics," he says, "is the last real drama." That is precisely what he and ABC are striving to create for 13 days and nights in the 19-inch proscenium in America's living rooms.

—By Richard Stengel.
Reported by Peter Ansillo/New York and John Moody/Sarajevo

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A Selective Viewer's Guide

TUESDAY, FEB. 7
8 p.m.-11 p.m.
HOCKEY U.S. vs. Canada plus Games Preview

WEDNESDAY, FEB. 8
9 p.m.-11 p.m.
OPENING CEREMONY

THURSDAY, FEB. 9
8 p.m.-11 p.m.
***SKIING Men's Downhill Hockey U.S. vs. Czechoslovakia**
***SPEED SKATING Women's 1,500 Meters**
***CROSS-COUNTRY SKIING Women's 10 km**

FRIDAY, FEB. 10
7:30 p.m.-11 p.m.
FIGURE SKATING Ice Dancing Compulsory Dances; Pairs Short Program
***SPEED SKATING Men's and Women's 500 Meters**
***CROSS-COUNTRY SKIING Men's 30 km**

SATURDAY, FEB. 11
11 a.m.-1:30 p.m.
3 p.m.-5 p.m.
8 p.m.-11 p.m.
***SKIING Women's Downhill**
***TWO-MAN BOBSLED Final Run**
NORDIC COMBINED 70-Meter Jump

SUNDAY, FEB. 12
2 p.m.-4:30 p.m.
7 p.m.-11 p.m.
FIGURE SKATING Pairs Free Programs; Ice Dancing Original Set Pattern and Compulsory Dance
***SKI JUMPING 70 Meters**
***LUGE Men's and Women's Singles Final Run**
***NORDIC COMBINED Cross-Country 15 km**

First clue to whether there will be a U.S. "miracle of '84." ABC will employ nine cameras and the seasoned reason of former Montreal Canadiens Goalie Ken Dryden and Team '80 Captain Mike Eruzione.

The panorama, of course. But also for the first time hand-held cameras will poke among the 1,583 athletes parading in Kosevo Stadium.

In skiing's heavyweight championship event, one downhill run decides it all, and '76 Medalist Franz Klammer's (Austria) reckless style is perfectly matched to the mountain. Long shot: U.S. Daredevil Bill Johnson. Trouble spots: the "Big S" turn, 800 meters from the start, and the precisely engineered bumps near the finish line that can lift skiers 6 ft. off the ground.
▶ Long-legged Karin Enke (East Germany) should win the first of her possible four medals in speed skating.

A viewers' delight. The overhead tracking "skycam" will capture the hypnotic, gold-flavored performances of ice dancing's Torvill and Dean (Great Britain) and Balletic Pair Valova and Vasiliev (U.S.S.R.). ▶ If his mind and muscles are tuned, Cross-Country Skier Bill Koch could grab America's first medal. Spot to watch: the steep, downhill parts of the course where Koch will try to make his moves.

On Sarajevo's superlative bob run, the finned sleds of East Germany and the slender new "cigar" vehicles of the U.S.S.R. will reach near 100-m.p.h. speeds. Trouble spot: the long "Omega" curve, where sledders can lose control and spin out. There will be two cameras at the turn.

U.S. Ice Dancers Siebert and Blumberg have a solid shot at the bronze.
▶ Flying Finn Matti Nykänen is the ski jumper to outfly. ▶ U.S. Luger Bonny Warner and teammates will be giving their all, probably for naught. Trouble spot: the ninth curve, where control is critical. ▶ To mine possible U.S. gold in the Nordic Combined, Kerry Lynch will need a phenomenal cross-country race to balance his less-perfected jumping earlier in the week.

MONDAY, FEB. 13
8 p.m.-11 p.m.
SKIING Women's Giant Slalom First Run
***CROSS-COUNTRY SKIING Men's 15 km**
FIGURE SKATING Men's Compulsory Figures

TUESDAY, FEB. 14
8 p.m.-11 p.m.
***SKIING Women's Giant Slalom Second Run**
***FIGURE SKATING Men's Short Program; Ice Dancing Free Dance**
***BIATHLON 10 km**

WEDNESDAY, FEB. 15
8 p.m.-11 p.m.
SKIING Women's Giant Slalom First Run
***SPEED SKATING Women's 3,000 Meters**
FIGURE SKATING Women's Compulsory Figures

THURSDAY, FEB. 16
7:30 p.m.-11 p.m.
***FIGURE SKATING Men's Free Program; Women's Short Program**
***SKIING Men's Giant Slalom Final Run**
***SPEED SKATING Men's 1,500 Meters**
***CROSS-COUNTRY SKIING Men's 4x10 km Relay**

FRIDAY, FEB. 17
7:30 p.m.-11 p.m.
HOCKEY Playoffs
***SKIING Women's Slalom**
***BIATHLON 4x7.5 km Relay**

SATURDAY, FEB. 18
12:30 p.m.-3:30 p.m.
7 p.m.-11 p.m.
***FIGURE SKATING Women's Free Program**
***SKI JUMPING 90 Meters**
***SPEED SKATING Men's 10,000 Meters**
***FOUR-MAN BOBSLED Final Run**

SUNDAY, FEB. 19
12 noon-5 p.m.
7 p.m.-11 p.m.
***SKIING Men's Slalom**
***HOCKEY Playoffs**
***CROSS-COUNTRY SKIING Men's 50 km**
CLOSING CEREMONY

U.S. men's figure-skating hopes ride on the slender shoulders of the world's best, Scott Hamilton. Watch for five awesome and dangerous triple-revolution leaps. Even the admiring judges can be seen to wince.

U.S. Slalomers Tamara McKinney, Christin Cooper and veteran Cindy Nelson (if she is recovered from a knee injury) are all medal threats. ▶ The strange, compelling ski-and-shoot sport of biathlon should provide some offbeat Olympic television, though the best of the U.S. will be well behind Norway and West Germany.

The most celebrated Olympic siblings, Phil and Steve Mahre, had best not get their bib numbers reversed this time. They are strong contenders for giant-slam gold, along with Pirmin Zurbriggen of Switzerland.

U.S. Skaters Rosalynn Summers, Elaine Zayak and youngster Tiffany Chin, 16, will vie with one another—as well as with the world—to pile up points in the early rounds and get well-positioned before Saturday's free-program final. ▶ And this could be Hamilton's victory day. ▶ The U.S. will really be glowing if a Mahre also comes through.

If they have survived, the U.S. hockey team could face the peerless U.S.S.R. squad, which is bent on revenge for 1980's loss. ▶ After today, no tomorrow for Tamara & Co.

On the big hill, U.S. Jumpers Jeff Hastings and Mike Holland could be in Nykänen's jet wash for silver or bronze. Their 9-sec. leaps will be memorialized in more slow-motion time than any event since "the agony of defeat." ▶ The biggest day of their lives for America's teen-age women skaters.

The Mahres' final medal chance in the slalom. ▶ Then enjoy the mood, the color and the graphics. Tomorrow evening it's back to *Monday Night Movie of the Week—Superman II*.

*Medal awarded following this event.
A half-hour summary of events will be shown each night at 11:30.

Books

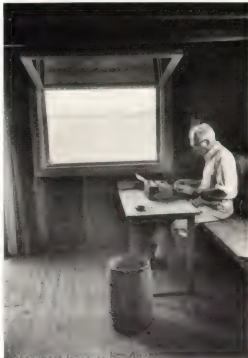
A Charmed and Charming Life

E.B. WHITE: A BIOGRAPHY by Scott Elledge, Norton; 400 pages; \$22.50

Charmed lives are probably more entertaining to lead than to read about. The ideal subject of a biography is someone who has succeeded at something, but at a pretty stiff price; the story of such a person inspires both envy ("I could not wage war on most of Europe") and the soothing balm of pity ("What a wretched place Elba must have been"). Yet there are some rare souls on whom fortune constantly grins. Their setbacks turn out to be short cuts to triumph; their disappointments in love prepare them for the mate of their dreams. Money, fame, the respect of peers and the warmth of friends, all pursue them. They may, indeed they often do, protest that unvarying good luck is a hell of its own. To ordinary humans, such complaints in such circumstances verge on the insufferable.

It is just this response that Biographer Scott Elledge, an English professor at Cornell, tries to deflect. The life of Author E.B. White, 84, Elledge keeps insisting, has been harder than it looks, from birth onward: "Elwyn was not a weakling or a sickly child, but he was not robust... his hay fever was so severe that his father took him (with the rest of the family) to Maine for the month of August in the hope of escaping the pollen that made him miserable." After enduring these hard knocks, this youngest of six children of well-to-do parents went to high school in Mount Vernon, a leafy suburb north of Manhattan, then on to Cornell, where he picked up the nickname Andy (after Andrew D. White, the university's first president). He won \$1,000 in scholarships for his freshman year, against an annual tuition of \$100. He eventually became president of his fraternity and editor of the school's daily newspaper. Notes White's biographer: "Among the many fears Andy suffered, his fear of failure may have been the most debilitating one."

Such worried interjections amount to a side order of applause. White's life has unquestionably been blessed, and his biography is strongest when it just records the charming confluence of circumstances and skill that made him one of the most admired, imitated and influential writers of his time. After graduating from college, White took odd jobs in journalism, advertising and public relations. He was, in retrospect, simply waiting for Harold Ross to dream up *The New Yorker*. Nine weeks after the inaugural issue appeared in February 1925, the first of thousands of White contributions graced



E.B. White: defining brevity and wit

Excerpt

He may have felt imprisoned by his ambition and pained by doubts about the limits of his power as a writer. In the letter he had written Katharine in 1929 just before his 30th birthday, he said that he wanted to be more than a successful *New Yorker* writer. Now, four years later, still hoping to produce a major work, he had in mind something he referred to as his "magnum opus." And in 1934 he seems to have made at least one concerted attempt to get it under way. In mid-January 1934 he went to Camden, S.C., to the same resort hotel he had been taken to by his father in 1911. He went there "to work on a piece away from the distractions of office and home." But while he was there he saw a polo match, made friends with a fox terrier, rented a bicycle, walked ten to 20 miles a day, wrote several charming letters home, and reported that he felt fine; and he returned to New York after five days.

its pages. When he was invited to join the magazine's staff, his interviewer was Ross's assistant, Katharine Angell. She was seven years older than White, and a mother of two children who was growing dissatisfied with her marriage. She and White fell in love, married and lived happily together for nearly 50 years, until her death in 1977. In the meantime, Ross discovered that "there was practically no purpose to which words could be put that White was unable to master." White was soon writing everything from light verse and cartoon captions (Mother to child: "It's broccoli, dear." Child to mother: "I say it's spinach and I say the hell with it.") to "Notes and Comment," the opening section of each issue's "Talk of the Town."

As the magazine prospered, and gossip about its inner workings leaked out, White became the country's best-known anonymous journalist. His casual, pithy approach to a paragraph defined brevity and wit for a generation of aspiring stylists. He was so good at what he did that he grew bored with it. During the Depression, he bought a 40-acre farm in North Brooklin on the Maine seacoast (where he lives to this day), and beat the first of several retreats from the tender tar of *The New Yorker*. A mystified Ross was heard to complain: "He just sails around in some God damn boat."

During his sabbaticals White also compiled (with Katharine) the enormously successful *A Subtreasury of American Humor*: he revised and updated the yellowing strictures of one of his Cornell English professors into *The Elements of Style*, a tiny textbook that has sold in the millions; he wrote three children's books, including one (*Charlotte's Web*, 1952) that has achieved the status of a classic.

All the while, he fretted over not producing the big book that his ability seemed to decree. But writing novels did not interest him, and his curiosity about the world was too sprightly to be harnessed for the long haul. He regularly worried himself sick; hypochondria became a lifelong pal. As a Cornell student, he was convinced that he had consumption; in his later years he noted: "I have had a frog in my throat for some time now, and of course with me this develops almost instantly into cancer of the larynx, because that is the way I'm built." He was also constructed, as this biography makes clear, to share his mastery of English syntax with countless readers, who seek out E.B. White's prose the way an older generation gravitated toward dark, warm-smelling barns or clear wild pools. He was given much, unlike most of his small, happy company, he has given more in return.

—By Paul Gray

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Books

Perplexities

THE SALT LINE
by Elizabeth Spencer
Doubleday; 302 pages; \$15.95

It happens so suddenly and perceptibly that it suggests a line drawn across a map: at a certain point approaching the Mississippi coast, the air fills with the salt smell of the Gulf of Mexico. At the scent of it, one woman feels her blood turn "as though the moon had swayed it." For all of the characters in Elizabeth Spencer's elegantly written novel, her first in twenty years, the salt line divides past and present, memory and desire, placidity and jeopardy. Crossing it brings everyone into the swirling orbit of the book's protagonist, Arnie Carrington.

Arnie, sixtyish, is a former professor of English at an upstate university, a life-



Elizabeth Spencer
Dividing memory and desire.

long activist who reigned during the 1960s as a champion of campus protest movements ("Carrington cares!" the students once chanted). He left the university much as his hero Byron left England: under threat of sexual scandal, in his case trumped-up. He moved to the gulf, where his wife soon died of cancer. Now, salvaging his own ruins, he has found a new cause in the devastation left behind by the 1969 hurricane Camille: real estate.

Arnie wants to put his few holdings, which include an island just offshore, into the hands of people who will restore the serenity of the past amid all the motels and waffle houses. This emphatically does not include Frank Matteo, a flashy young restaurateur with Mafia connections whom Arnie suspects (rightly) of seeking his island as a conduit for foreign narcotics. Matteo is both more and less than a customer, however. To a reformer like Arnie he is an irresistible candidate for moral redemption, and the way to

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National Campaign Chairman

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LOTS!

Books

Miaou!

THE GREAT CAT MASSACRE AND OTHER EPISODES IN FRENCH CULTURAL HISTORY

by Robert Darnton; *Basic Books*
298 pages; \$17.95

The intriguing title is not a joke, nor is it an attempt to reach the Garfield market. It represents a searching effort to determine why a band of Parisian printers bludgeoned to death a lot of cats, notably including the master printer's wife's pet, then subjected several of the animals to a mock trial and hanged them. More important, why did these printers of the 1730s think the butchery was so comic that they guffawed as they re-enacted it in pantomime more than 20 times? Was it



Engraving of cruelty to animals.
Symbolically punishing the master.

sadism? Mass hysteria? Demoniac ritual?

The answers lie partly in the master's mistreatment of his apprentices, who were made to work long hours and fed on rotten scraps that the pet cat refused to eat. They also lie partly in the popular tradition of torturing felines, which were widely associated with both sorcery and sexuality, and which were often burned on religious holidays. But why did the printers find that funny? By "accidentally" including the pet along with the alley cats, they were not only symbolically punishing the master but symbolically accusing his wife of witchcraft and symbolically raping her. And getting away with it.

That is a sample of the rich meanings Princeton History Professor Robert Darnton finds in the commonplace of prerevolutionary France. He is exploring a relatively new branch of history, cross-fertilized by anthropology and known in France as *l'histoire des mentalités*. Says Darnton: "It attempts to show not merely what people thought but how they thought—how they construed the world."

reach him appears to be through his cast-off, pregnant girlfriend, who has taken refuge under Arnie's mostly paternal wing.

Arnie cannot keep faith with the past without summoning up its burdens. These arrive one day in the form of a familiar family hunting for a dream house along the gulf: Lex Graham, the ambitious colleague who undermined Arnie at the university; Lex's sleek wife, who is eager to resume the affair she and Arnie once conducted; and Lex's cherished daughter, a high school belle who has reached just the right age to have her head turned by Arnie's romanticism.

Such sun-drenched perplexities are home ground for Author Spencer, who for more than three decades has been publishing subtle, meticulous fiction about her native Mississippi (*The Voice at the Back Door*) and about Americans in Italy (*The Light in the Piazza*). She seems to have conceived *The Salt Line* as her *Temptest*, with Arnie as an eccentric but passionate Prospero. She portrays him in clear Southern light that shines with a "persistent, steady, invisible fallout of blessing." She invests him with a slightly seedy spirituality by surrounding him with motley religious remnants: an 18-ft-high statue of the Buddha (foulsom from the hurricane) that he has stashed in his yard; a nun's shrine to St. Francis that he tends on his island; an occult Mexican medal that dangles from his neck.

Spencer's handling of these images leaves the reader conscious at every moment of a high skill and intelligence—indeed, perhaps too conscious. Individual scenes are admirable, as when Arnie's hapless rival Lex, visiting the sanctum of Arnie's island, seeks an epiphany in a swarm of butterflies ("a world of translucent amber, the dazzle of deep dimension, pulsing to its own notion"), only to be felled moments later by a mysterious snakebite. But such effects are fitted so neatly into place, their significance so finely chiseled, that one almost hears the click of the craftsman's tool.

As a result, the energies of Spencer's narrative remain muted, her conclusion equivocal. Even Lex, from whom violence might have been expected (he once pointed a pistol at a triumphant Arnie on campus), drifts off in a paralysis of frustration and despair. The final chapters echo with questions like those Arnie addresses to the Buddha: "How can we gather everything up? Everything we know? Everyone we know? And preferably not as corpses."

In an early flashback to Arnie's desolation after the death of his wife, he climbs on the back of a giant turtle swimming out to sea. "Take me to the deep," Arnie says, but the creature swims out from under him and is gone. In time, Spencer's novel slips out from under the reader as well, but until it does, the ride is beguiling.

—By Christopher Porterfield

All this somewhat speculative re-creation of the *ancien régime* is solidly based on Darnton's mastery of its most obscure documents. He has discovered, for example, that there was a police official who spent the years 1748 to 1753 writing more than 500 still unpublished dossiers covering virtually every writer in Paris. They included all those troublesome *philosophes* whose skeptical criticisms of the Bourbon monarchy contributed to its downfall, yet this diligent police analyst never used the term *philosophes*, never considered them as a group, never imagined that any writers could have political importance. Woe to the ruler who relies too much on police intelligence.

The whole relationship between writing and reading in these prerevolutionary years was undergoing significant changes that reached beyond politics. Darnton endeavors to demonstrate the change from the letters that a young merchant in La Rochelle wrote to the bookseller who regularly sent him the new works of Jean-Jacques Rousseau. In Darnton's view, Rousseau's preachings first established "the author as Prometheus" and his readers as emotional disciples.

Darnton also finds rich social implications in folk tales like "Little Red Riding Hood." He scorns the psychiatric interpretations of Perrault's *Mother Goose* because he knows the 10,000 or so 19th century transcriptions of peasant versions of these same tales. Interpreted historically, they record the harshness and cruelty of rural life. In the peasant version, Little Red Riding Hood does not escape the wolf.

Darnton's portrait of France is impressionistic, a series of sketches, but it is striking, original and often very clever.

Félicitations! —By Otto Friedrich

Best Sellers

FICTION

1. *Pet Sematary*, King (1 last week)
2. *Who Killed the Robins Family?*, Adler and Chastain (2)
3. *Poland*, Michener (3)
4. *Changes*, Steel (5)
5. *Morosa*, McCaffrey (6)
6. *Berlin Game*, Deighton (4)
7. *Hollywood Wives*, Collins (8)
8. *The Story of Henri Tod*, Buckley (7)
9. *The Name of the Rose*, Eco (10)
10. *Smart Women*, Blume

NONFICTION

1. *In Search of Excellence*, Peters and Waterman (1)
2. *Motherhood*, Bombeck (2)
3. *Tough Times Never Last, but Tough People Do!*, Schuller (4)
4. *Weight Watchers Fast & Fabulous Cookbook*, Weight Watchers International (8)
5. *The James Coco Diet*, Coco
6. *On Wings of Eagles*, Follett (9)
7. *The Best of James Herriot*, Herriot (7)
8. *Nothing Down*, Allen (3)
9. *Creating Wealth*, Allen
10. *Seeds of Greatness*, Watley (10)

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Milestones

SEEKING DIVORCE. From Rod Stewart, 39, mercurial British rocker (*Da Ya Think I'm Sexy?*) who has shown a penchant for young models: **Alana Stewart**, 37, actress and model; on the ground of "irreconcilable differences"; after five years of marriage, two children; in Los Angeles.

SENTENCED. **Jodie Foster**, 21, screen actress (*Taxi Driver*, *The Hotel New Hampshire*), quondam journalist (*Esquire*, *Interview*), Presidential Assailant John Hinckley's love object, and Yale senior; to one year on probation and a fine of \$500 in court costs after pleading guilty to possession of a small amount of cocaine found during a Customs check at Logan Airport last December; in Boston.

SENTENCED. **Roger Gauntlett**, 41, an heir to the Upjohn pharmaceutical fortune, who had pleaded no contest to a charge of sexually assaulting his stepdaughter, 14; to a year in jail and five years of "chemical castration" with Depo-Provera, which decreases the male sex drive and is manufactured by Upjohn; in Kalamazoo, Mich. With the drug, said Circuit Court Judge Robert Borsos, "it is now possible to castrate a man and at a future time reverse the effects." Both sides plan to appeal.

IMPRISONED. **Larry Flynt**, 41, pornographer and *Hustler* magazine publisher; for 15 months in Terminal Island federal prison for contempt of court; near Los Angeles. Just after he was sentenced to a total of nine months in jail for disrupting two earlier federal court hearings, Flynt began shouting obscenities at Federal Judge Manuel Real and declaring, "I'm crazier than hell! I want a competency hearing." When he yelled, "Give me more!" Judge Real obligingly tacked on six additional months.

HOSPITALIZED. **Im Talal Hussein**, 48, King of Jordan; for heart and intestinal tests as well as a general physical; at Ohio's Cleveland Clinic, where Saudi Arabia's late King Khalid and Brazilian President Joao Baptista de Figueiredo have also been treated.

DIED. **Ada Beatrice Queen Victoria Louise Virginia Smith**, 89, legendary red-haired singer, entertainer and nightclub owner better known to generations of café society on two continents as Bricktop; in New York City. Born in West Virginia to a black father and a mother who was part Irish, part black, freckle-faced Bricktop began her career in Harlem, then moved to Paris. Cole Porter wrote *Miss Otis Regrets* for her. John Steinbeck sent a taxiful of roses to apologize for getting drunk in her place. Hemingway, Fitzgerald and the Duke of Windsor were regular visitors to her ultrachic Place Pigalle boîte. In the '40s and '50s she ran clubs in Mexico City and Rome, then quit in 1961, saying, "I'm tired, honey, tired of staying up till dawn every day."

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Cinema

Music for High-Strung Instruments

THE BASILEUS QUARTET Directed and Written by Fabio Carpi

Harmony is the wan hope of age, the last dream to which it may reasonably aspire. Virtuosity is callow youth's callous expectation, the ambition toward which its bursting energy and blustering strength heedlessly compel it. That is why, dearly as they may love their offspring, parents of prodigies are so happy to see them off to college and career. May they achieve their hearts' desires—but please, God, on their own time.

This being so, imagine the consternation of a distinguished chamber ensemble, rich in years and adoring reviews, when their first violinist is felled by a heart attack. Their alternative is retirement or filling the empty chair. Brief experience with the former is not encouraging. After years

Edo, as he renames their prodigy, appears. What drives him mad is not open acknowledgment of his secret, but the boy's indifference to it. What's all the fuss, Edo sleepily wonders, about the central issue of his would-be mentor's life. The next to go is Diego (Omero Antonutti). Encouraged by youth's unconscious example, he vainly seeks to reclaim the woman he loved and abandoned when he was Edo's age. The boy might be moved by Diego's plight, but just at the moment he is involved with a girl revolutionary he smuggled across the Austro-Italian border. Alvaro (Hector Alterio), his sexuality dampened by illness, his ego padded by wry self-awareness, endures, but only as accompanist to the boy when he sets forth on a soloist's career, still



Music minus one: Omero Antonutti, Pierre Malet and Hector Alterio

Without malice, with quiet but unfailing good cheer, youth will destroy them all.

of letting the group set their tones and rhythms, the remaining bachelors find their loneliness difficult. And without the calming core with which music provided their lives, they are restless. The appearance of Edoardo Morelli (Pierre Malet) is an unspoken prayer's answer. He is a superb musician. He is a handsome and energizing presence on the stage and in their lives. He can find women, pot or a high-stakes poker game wherever they go. He reminds them of all their lost youths and awakens their unused parental instincts at the moment when most people are gratefully abandoning them. Eventually, without malice, with quiet but unfailing good cheer, he will destroy them all.

The first to fall is Guglielmo (Michel Vitold). A repressed homosexual (and, more significantly, a repressed romantic), he cannot hold his true nature back when

blithely unaware of the damage he has done.

Nor should he be. In Fabio Carpi's unsentimental, indeed comic view of what would usually be presented as dark doings, youth need not apologize for its selfishness. And age has no choice but to accept it with whatever rue and wit experience has granted it.

Visually unexceptional, narratively straightforward, Carpi's film is nevertheless intricately worked out psychologically. It plays like a lovely chamber piece, and its actors work with a good musical quartet's instinctive politesse and self-effacing skill, muting individual flights in deference to total effect. Carpi may never be a Beethoven of the cinema, but he could perhaps be a Schubert, and there are few enough of those making movies these days.

—By Richard Schickel

Rushes

THE LONELY GUY

The idea of mating sitcom material with a surrealist style seems, at first glance, to have about as much promise of permanent delight as a pickup in a singles bar. And by the end of *The Lonely Guy*, even the film's best friends may feel that some aesthetic counseling is in order. Yet for a movie that once again takes up a matter made achingly familiar by contemporary song and story—the hardships and confusions of the single life—it offers some curiously arresting visions: the rooftops of New York City crowded with men howling the names of women whose unlisted phone numbers they have lost; the air around the Manhattan Bridge filled with the falling bodies of suicidal lovers; a service that rents cardboard cutouts of celebrities to fill up the room when a hopeless bachelor tries to give a party. A pity Director Arthur Hiller could not sustain such a high level of lunacy throughout this adaptation of Bruce Jay Friedman's pop-classic meditation on how urban realities undermine our urbane fantasies. If he had, unlikely adjectives like Felliniesque might now be accruing to *The Lonely Guy*. But half the film is merely joky in a flat, familiar way, and Steve Martin in the title role and Charles Grodin as his best friend too consistently play in the depressed-repressed mode. There needs to be some open frenzy in their madness. Still, there is more off-the-wall originality in the film than audiences can find in a dozen typical commercial comedies. It is a one-night stand one might actually remember in years to come.

CRACKERS

In the 18th century it was considered chic to spend an evening at the local lunatic asylum, laughing at the inmates. In the 20th century you can be asked to leave a dinner party for making a joke about the mentally disturbed or deficient. Perhaps the kindest thing to be said about our century is that it has managed to make this modest improvement in manners. Perhaps the kindest way to describe *Crackers* is to say that it is informed by the older sensibility. Louis Malle's remake of the unfunny 1958 Italian comedy *Big Deal on Madonna Street* has gained nothing in translation to contemporary San Francisco, where a dismal group of losers ineptly attempt to rob the safe of a pawnbroker who is, grumpily, the only friend they have. Neither touching nor humorous in their dimness, they can engender only one emotion: disgust. Donald Sutherland, Jack Warden and Wallace Shawn are among those trying to find some overtone or undertone they can resonate to, but the script is so dull and the direction so lacking in dynamics that they are reduced to aimless noodling. The depression they feel in their bereft state will quickly communicate itself to any viewer. ■

Theater

Victimizations

OPEN ADMISSIONS by Shirley Lauro

Calvin Jefferson is a black college student with a B average, reading skills arrested at the fifth-grade level and an anguished, angry awareness that the false hopes raised in him by the educational policy from which this play takes its title are lies. Ginny Carlsen is a white college teacher reduced to showing students how to project an educated image for personnel directors, but prevented from providing substantial learning to sustain their careers or their lives. Playwright Shirley Lauro also has a second meaning in mind for her title, as she crudely but forcefully maneuvers her principal characters toward open admissions of their mutual victimization.

That confrontation constituted the sum total of Lauro's one-act play produced off Broadway in 1981: one can see why she was encouraged to develop it to full length for Broadway. Calvin and Ginny may be symbolic representations, but they are also potent characters in their own right. The student's basic gentleness makes his rage, when it surfaces, all the more terrible to behold. The teacher's harassed decency makes the brisk cheer with which she tries to sell deceit to herself and her students the more poignant.

In these emotionally rich roles, Calvin Levels and Marilyn Rockafellow, under Elinor Renfield's forcefully realistic, behaviorally sensitive direction, are at once strong and subtle. They are so good, in fact, that they point up the superficiality of the out-of-school lives the playwright has concocted for them. They seem to have been plucked out of sociology texts rather than absorbed from life, expanding the play's length without usefully expanding our understanding of its people. Nonetheless, the heart of the play is sound, and its beat is worth listening to.

—By Richard Schickel



Levels and Rockafellow in *Open Admissions*
Gentle rage vs. harassed decency.



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Space

Flying the Seatless Chair

Despite a satellite loss, Challenger opens a new era in orbit

When the space shuttle *Challenger* lifted off from Florida last week, the roaring flames signaled the start of NASA's busiest year in space. Ten missions are scheduled for 1984, including one with a secret Pentagon payload. But *Challenger* had barely settled into orbit 190 miles above the earth on the tenth shuttle mission when space gremlins struck. A multi-million-dollar communications satellite, one of two carried on board, mysteriously vanished into the void. Still, in spite of the embarrassing loss, NASA hoped to redeem itself with another of its spectaculars. This week, for the first time, astronauts plan to take a true step into space, leaving the safety of the mother ship without so much as a frail wire to prevent them from drifting off toward infinity.

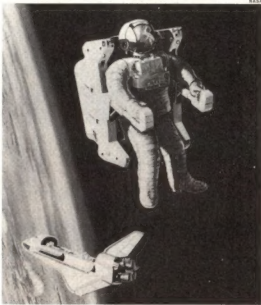
These orbital theatrics have a high purpose. In pushing off from *Challenger's* open cargo bay, Astronauts Bruce McCandless II, 46, and Robert Stewart, 41, both of whom are making their initial shuttle trips, will be rehearsing the first repair of a satellite in orbit. That is slated to take place in April, when astronauts attempt to retrieve and revive a \$150 million robot scientific observatory nicknamed Solar Max, which has been spinning helplessly since it broke down three years ago. If this tinkering succeeds, it could pave the way for even more ambitious efforts, including the assembly of President Reagan's proposed space station.

For the moment, however, NASA's attention was more pressingly diverted. Just eight hours into the flight, Mission Specialist Ronald McNair, 33, a physicist making his first flight, successfully sent Western Union's \$75 million *Challenger* VI spinning out of the Westar big cargo bay. But soon all contact with Westar, built by Hughes Aircraft, was lost. Its transmitters were silent. Ground-based trackers could not tell whether its booster, which was to have propelled it into a geostationary "parking place" 22,300 miles above the equator, had misfired or some onboard electronics had failed. Desperately trying to bring the satellite back to life, if indeed there were still any electronic stirrings in the complex machine, the controllers blindly sent radio signals into space. Later the trackers detected a number of unidentified objects orbiting behind the shuttle. Officials gloomily speculated that they might be fragments from an explosion that destroyed the satellite.

The failure immediately confronted

NASA with the question of whether it should go ahead with the launch of Westar's twin, Indonesia's Palapa B-2, scheduled for the next day. Palapa is to be used as a telecommunications link between the 13,677 islands of the sprawling Indonesian archipelago. At week's end, NASA decided to postpone the launch at least for a day while ground controllers probed the Westar accident. If Indonesia requested a deferral until a later mission, the shuttle would have to bring the satellite back to earth. The added weight would speed the shuttle's descent on landing, possibly forcing NASA to scrub a Florida touchdown.

Although the lost satellite cast a shadow over the mission, *Challenger's* com-



Artist's conception of a Buck Rogers-type stroll in space. Some daredevil orbital theatrics for a high purpose.

mander, Vance Brand, 52, a former Marine pilot on his third spaceflight, and his four crewmen, including Copilot Robert ("Hoot") Gibson, 37, a space novice, faced other weighty matters. In many ways Flight 41-B, as the mission is called under a new numbering system fathomable only to NASA bureaucrats, is the most ambitious sortie into space to date. It features a full agenda of experiments, including one intriguing test devised by a high school student to see if zero-g can relieve the agony of arthritic rats in a mid-deck cage. The astronauts will operate the shuttle's sinewy remote-controlled arm, using it to lift out into space a German-built platform known as SPAS (for Shuttle Pallet Satellite),

which is loaded with scientific instruments. More significant, they are slated for a two-day game of tag with a 6½-ft.-diameter Mylar balloon. As the sphere drifts as far as 120 miles away, the crew will use radar and optical tracking to find their way back to it. The maneuvers are a rehearsal for April's retrieval of Solar Max.

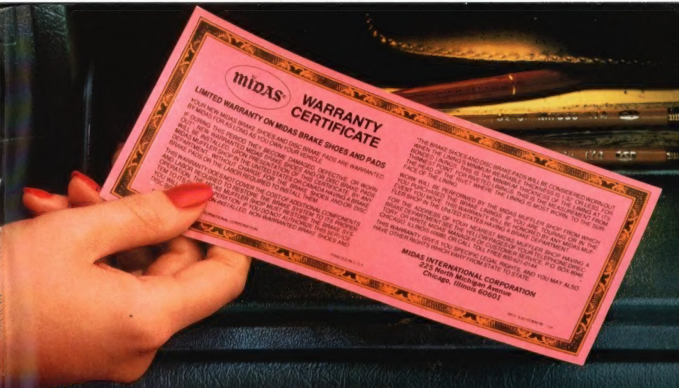
Yet the mission's unquestioned highlights are the untethered space walks on Tuesday and Thursday. Spacemen have been venturing outside their spacecraft ever since Cosmonaut Alexis Leonov undertook the first EVA (for extravehicular activity, in NASA jargon) in 1965. But they have always been securely hooked to a lifeline. This time they will rely entirely on a Buck Rogers-type contraption called, with a touch of sexism, a manned maneuvering unit (MMU).

The \$15 million device resembles nothing so much as a clumsy overstuffed armchair without a seat. On earth it weighs 340 lbs., but in zero-g an MMU can fly like a bird. A squirt or two of nitrogen gas from any of its 24 small jet thrusters can propel it in any direction. Strapped into this flying chair, an astronaut need only work the handle-like controls built into the armrests.

The flight plan calls for the astronauts to move up to 300 ft. away from the shuttle. Only one man will fly at a time; the other will remain tethered in the cargo bay. If the MMU's thrusters fail, a stranded astronaut could be rescued by his partner or even the shuttle. No tethers are used during the lengthy, complex sorties because an astronaut might become tangled in a line. During the space walks, the astronauts will practice snaring Solar Max by hooking themselves onto the SPAS. But this is not as easy as it sounds. In zero-g, obtaining leverage is exasperatingly difficult. For example, in using a screwdriver, an astronaut is as likely to twist as the screw. While they are working on SPAS, the astronauts will hook their feet in a restraint attached to the end of the remote-controlled arm.

NASA also has its eyes on another first. If winds and weather are fair in Florida at the end of *Challenger's* seventh day in orbit—and the problem of Palapa has been resolved—the winged spacecraft will land on the Kennedy Space Center's three-mile-long shuttle runway rather than on the hard-packed sands of California's Edwards Air Force Base. Such a feat would not only go a long way toward proving the shuttle's versatility but also save NASA at least \$1 million a mission, the cost of piggybacking the orbiter back from California after each flight. —By Frederic Golden.

Reported by Jerry Hamlin/Kennedy Space Center and Geoffrey Leavenworth/Houston



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